

The path of a monopoly through history  
The emergence and development of the German chemical industry

# ... From aniline to forced labor



A documentation of the  
working group  
I.G. Farben of the federal  
conference of the  
chemistry student  
councils

**BASF**





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A documentation of the BundesFachTagung  
der Chemiefachschaften (BuFaTa Chemie)

2nd corrected edition June 2007 (print version of the online edition)

Aachen, Bonn, Braunschweig, Freiburg, Karlsruhe, Würzburg 1994  
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*"The man in the white coat wrote numbers on the paper. He made very small, delicate letters. Then he took off his white coat and tended the flowers on the windowsill for an hour. When he saw that one flower had died, he became very sad and wept. And there were numbers on the paper. It said that half a gram could kill a thousand people in two hours. The sun was shining on the flowers. And on the paper."*

Wolfgang Borchert



## Foreword to the 2nd edition - online edition

### **Never again! on the history of I.G. Farben and its mission for a critical science**

"Stop the shares of death" can be read on banners and "Dissolve I.G. Farben - immediately!" Former forced laborers are rudely pushed out of the hall by security personnel so that the former global corporation and operator of the Monowitz concentration camp (Auschwitz III) *I.G. Farben* can calmly elect a new supervisory board. Scenes from the post-war years? Not at all: Frankfurt on December 18, 2002. In 1945, the Allies decided to unbundle the chemical cartel and transfer the remaining assets to *I.G. Farben i.A.* (Interessengemeinschaft Farben in Abwicklung). However, speculation with its shares continued in 2002, and there was no rapid liquidation or appropriate compensation payments to the forced laborers. At that time, 16 organizations - including the Federal Conference of Chemical Workers' Associations - from all over Germany called for protests against the shareholders' meeting. The BuFaTa Chemie took up the issue again in the summer of 2002, several years after the publication of the first I.G. Farben reader, and founded a new I.G. Farben working group, which joined the alliance against the I.G. Farben shareholders' meeting and at the same time began to prepare this online edition of the I.G. Farben reader. During the work on this reader, the I.G. Farben i.A. filed for insolvency in 2004. The last of the money had been speculated away. The Forced laborers have been left empty-handed to this day.

### *Chemistry in the service of war and death*

More than half a century ago, scientists used their knowledge and skills to facilitate an international war and the murder of hundreds of thousands of people in concentration camps. Chemists made money from weapons that caused death, from medicines for dying soldiers, from the mass enslavement of prisoners and ultimately from the genocide in the concentration camps. Allegedly "in the service of science", prisoners were tortured to death in medical experiments. In the I.G. Farben concentration camp in Monowitz, thousands of "destroyed through labor". The mass murder of the Jewish population was "perfected" with the poison gas Zyklon B. I.G. Farben was the largest single financier of the NSDAP. The Four-Year Plan of 1936, which was supposed to make Germany ready for war in four years, had already been drawn up with significant cooperation from I.G. Farben, and the chemical giant's assurances made the Second World War possible in the first place.

In the Nuremberg trials in 1947, only 13 of the 23 accused I.G. Farben functionaries were sentenced to minor prison terms - sentences that "would have been enough to make any chicken thief happy at the time", as Der Spiegel later commented. Even then, the concern was less about the anti-fascist mission than the favor of the industrialists. As early as October 1946, the American prosecutor Jackson feared that the "public attack on private industry - and such an attack will occur in the course of the trials - may discourage the industrial cartels from continuing to cooperate with our government in the armament measures which must be taken in the interest of our future defense."

*Always for profit*

I.G. Farben, which was formed in 1925 from a cartel of chemical giants (including BASF, Bayer and Hoechst), earned money both from Germany's war effort and - via international subsidiaries - from America's war effort. Around 80 billion euros were earned by forced laborers in the Third Reich, and just 50,000 were paid in compensation at the end of the 1950s. Speculation on the I.G. Farben property in East Germany, which led to scenes of jubilation at the shareholders' meeting in 1989, was only rejected by the courts after fierce protests. Until its demise, the Group also laid claim to the Swiss holding company Interhandel (formerly I.G. Chemie Basel), whose assets were estimated at 2.2 billion euros. Several hundred thousand euros were paid out annually to liquidators and supervisory board members. At the beginning of the 1990s, the assets of the liquidation company still amounted to around 50 billion euros. Today, the I.G. Farben successor companies Bayer, BASF and Sanofi-Aventis (formerly Hoechst) are each larger and more powerful than the entire cartel they once created.

*Tasks for a science of peace*

As enlightenment, scientific knowledge can form the basis for social progress and thus for better living conditions and peaceful coexistence for all people. Under the hegemony of war and profit maximization, however, scientific knowledge can have a destructive effect - even directly destroying people. It is part of the responsibility of scientists to constantly and critically question the goals and applications of their own science. This thinking outside the box is not a luxury, but absolutely necessary. Referring to his own subject, Carl Friedrich von Weizsäcker said: "Politics is the physicist's damned duty in the atomic age." In this sense, the commitment to critical science and critical study is also a lesson from fascism and war and from the history of I.G. Farben.

*To the online edition of the I.G. Color Reader*

The idea of reissuing this reader came to some people interested in the topic during the 2002 summer BuFaTa in Freiburg, when a few copies of the first edition were found in the student council room. Compensation for forced laborers was the subject of intense public debate at the time, while I.G. Farben i.A. was fighting in court over a considerable fortune from the Swiss bank UBS.

This put the question of the German chemical industry's past on the BuFaTa agenda. Many of the student representatives present at the time were no longer familiar with the topic of I.G. Farben. Some therefore decided to reissue the I.G. Farben reader and expand it to include a chapter on the history of the protest against I.G. Farben. In order to make the reader even more widely accessible, it was decided to produce this online edition. For this 2nd edition, minor errors in the

1st edition corrected, the presentation of the sources standardized and chapter 7.4 on the history of the protest against I.G. Farben i.A. added.

The AStA of the TFH Berlin in particular took up this issue and revised the 1st edition of the reader exhibition on the history of I.G. Farben. The traveling exhibition "... from aniline to forced labor" is to be made accessible to a broad public and can be borrowed free of charge from BuFaTa Chemie.

The Working Group I.G. Colors of the Federal Conference of Chemistry Student Representatives (2002-2007) Jens, Denis, Sonja (Chemistry Student Representatives of the Universities of Münster, Freiburg and Hamburg)

## Foreword by the authors - 1st edition

The idea for a work on the roots of the German chemical industry and the history of the I.G. Farben Group was created at the closing plenary session of the Federal Conference of Chemical Associations in Bielefeld in November 1990. The external reason for this was the discussion that flared up after the unification of the FRG and GDR about ownership claims by West German industrial companies on the territory of the former GDR. The claims of the liquidation company "I.G. Farben in Auflösung" caused a particular stir.

As we felt that this topic deserved a more in-depth look, we decided to shed some light on this dark chapter of German industrial history by creating an exhibition and an accompanying brochure.

As a result, independent groups were formed in several departments to work on individual periods of this history in greater depth. The chapters, which were initially written independently of each other, were compiled into this brochure in several working group meetings. Possible inconsistencies in the preparation could therefore not be completely avoided. However, we hope that overall we have provided a comprehensive yet clear presentation of the history of I.G. Farbenindustrie AG.

We would like to thank all those who have provided us with information and materials, and we hope that this exhibition will contribute to a better understanding of the past and present of chemistry and the chemical industry.

The I.G. Colors working group at the national conference of the chemistry student councils Andreas, Detlef, Jürgen, Marc, Peer, Rudi, Winnie  
(Chemistry Student Council Bonn University, Chemistry Student Council TU Braunschweig, Chemistry Student Council Freiburg University, Chemistry Student Council RWTH Aachen University, Chemistry Student Council Karlsruhe University, Chemistry Student Council Würzburg University)



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## Introduction

I.G. Farben - what does it actually stand for? For years, the less spectacular-sounding name "Interessengemeinschaft Farbenindustrie AG" was synonymous with (almost) the entire German chemical industry - a gigantic cartel of all the major German chemical companies. With their enormous economic power, they enabled the Kaiserreich to continue the First World War, were a determining factor in the domestic and foreign policy of the Weimar Republic and ultimately also helped to shape and benefit from the fascist dictatorship and the Second World War.

Why, some may ask, are we digging up things from decades ago that no longer have any immediately recognizable connection to the present?

What is present today is already past tomorrow; the present is the result of processes that began in the past and of which the present itself is an integral part. Much of what seems self-evident today loses its apparent inevitability when we look at its historical development, so that the question of how and why certain states of affairs arises. In short, historical observation provides a key to a critical examination of the present.

For us as students of the chemical branch of the natural sciences, this means an examination of the history of chemistry, which is closely intertwined with the development of large-scale chemical production. This is overshadowed by the machinations of a chemical empire that was able to influence the course of the world in an almost unique way - namely I.G. Farben.

During the detailed study of the history of the group, it became clear that this did not end with the "dismantling" of the cartel by the Allies in 1945. The three major I.G. successors BAYER, BASF and HOECHST have consistently continued the I.G. policy to this day, and each of the three companies is now bigger and more powerful than I.G. Farben ever was.



# **1. The history of I.G. Farben up to the founding of the Group in 1925**

For many years, the terms "I.G. Farben" and "German chemical industry" were almost completely congruent. An examination of the history of this gigantic corporation must therefore also include the development of the chemical industry in Germany from its beginnings. The emergence of I.G. was a logical consequence of the conditions that had determined this development from the very beginning - and in many respects this continuity continues to the present day.

## **1.1. From the beginnings to major global players**

### **1.1.1. General Development**

The beginnings of the chemical industry lie in the industrial revolution at the beginning of the 19th century. In chemistry in particular, the general technical and social upheavals were accompanied by a tremendous increase in scientific knowledge, and it was here that it became clear how closely scientific research findings and their commercial use were linked in this field.

Organic chemistry developed almost explosively during this time. In 1856, the English chemist William Perkins discovered the aniline dye mauveine, the first synthetic dye. In England itself, which had access to a huge colonial empire to cover its raw material needs, this discovery had no particular impact. In Germany, however, it became the decisive basis for the chemical industry. Tar dye chemistry opened up the possibility of using coal tar, a costly waste product from the coking of coal (for the steel industry), as a starting point for immensely valuable products - metaphorically speaking, the chemical industry was able to "turn dirt into money".<sup>1</sup> Large numbers of tar dye factories were founded in a veritable fever. These were mostly micro-enterprises in which the founder(s) alone or with just a few workers mainly manufactured a single product - often only with borrowed capital. It was therefore inevitable that the many start-ups were soon offset by a large number of bankruptcies.

### **1.1.2. The growth of the chemical industry**

It soon became clear in which direction the chemical industry would develop. The rapid progress of research made it impossible to switch to specialized product ranges; instead, the factories whose owners had the necessary capital expanded their production both horizontally (in terms of the range of products) and vertically (by including all stages of the production process).

[1] BORKIN, JOSEPH: *Die unheilige Allianz der I.G. Farben; eine Interessengemeinschaft im Dritten Reich*: Frankfurt/Main, New York : Campus Verlag, 1979, 1990 (Vol. 1030) - ISBN: 3-593-34251-0; Campus series, p. 10.

from basic chemicals to finished products) continued to expand. Both the smaller tar dye companies and factories that produced basic chemicals such as soda or sulphuric acid were gradually swallowed up by the expanding large companies or driven out of the market.

The rapid progress of research and the direct commercial applicability of scientific findings were, as already mentioned, one of the key conditions for the development of the German chemical industry. As a result, there was closer cooperation between academics and universities and industry than in any other area. However, this cooperation soon reached its capacity limits, so that industry began to set up its own large research laboratories. The enormous investment costs associated with this naturally accelerated the concentration process.

The following table<sup>2</sup> shows quite clearly how quickly the large tar dye factories developed and thus also illustrates the concentration process within the German chemical industry described above.

Around 1880, the structures from which the I.G. Farben were already largely developed.

	Year	Number of employees	Dye production
BAYER	1863	12 Workers 1 commercial commis 1 apprentice	20-25 pounds/day Fuchsin
	1867	50 men	200-500 pounds/day Fuchsin
	1874	65 men alone in the Alizarin factory	3000 kg/day Alizarin
	1877	136 Workers	6000 kg/day Alizarin
	1888	around 1000 workers	
	1913	320 Chemists 60 Engineers 8077 Workers	
CASSELLA	1908	110 chemists and technicians 2200 workers	
CALLE	1904	62 Chemists 75 Commercial employees	

### 1.1.3. Position and importance of the German chemical industry

A key feature of the German chemical industry was its export orientation, combined with efforts to achieve a monopoly on the world market. As early as 1877, Germany accounted for half of the world's production of dyes. In the period that followed until the outbreak of the First World War, practically all important classes of dyes were invented by German tar dye factories.<sup>3</sup> This trend continued with the further expansion of the chemical industry. The product range of the large companies now included not only dyes but also organic and inorganic basic chemicals, photographic products and pharmaceuticals. Antipyrine and phenacetin were the first dyes to be produced by the dye works.

[2] based on: *BAYER Reports*, Issue 5 (1963), p. 84f.

[3] TER MEER, FRITZ: *Die I.G. Farbenindustrie Aktiengesellschaft; ihre Entstehung, Entwicklung und Bedeutung*. Düsseldorf : Econ-Verlag, 2nd edition, 1953, p. 10.

ry

HOECHST and BAYER, which were followed by Pyramidon, Aspirin, Veronal, Luminal, Salvarsan and the hormone preparation Suprarenin as further milestones in the new field of work.<sup>4</sup> Within 30 years, the small tar dye kitchens had become large, complexly structured and enormously well-funded companies. At the beginning of the 20th century, six companies dominated both the German and the global market in the production (in 1913 with a share of 90%) and sale of synthetic dyes - three very large companies closely followed by three smaller ones:

BASF	Badische Anilin- und Sodafabrik, Ludwigshafen
BAYER	Farbwerke, vorm. Friedrich Bayer & Co, Leverkusen
HOECHST	Farbwerke, vorm. Meister Lucius and Brüning,
AGFA	Aktiengesellschaft für Anilinfabrikate, Berlin
CASSELLA	Leopold Cassella & Co., Frankfurt
KALLE	Kalle & Co., Biebrich

The German Empire, a country poor in raw materials apart from its coal deposits, was highly dependent on the chemical industry for its great power ambitions. It enabled the Reich to reduce its dependence on foreign raw material supplies and also to change the raw material basis of its competitors (above all England) with its own goods. The successful synthesis of indigo at BASF in 1897 after a great deal of research and development work brought indigo cultivation in India, which was supported by British capital, to a standstill in just a few years and was probably the high point of this development. (Here the state was still benefiting from the momentum of emerging German capitalism - later this relationship would be reversed and the chemical industry would make gigantic profits from major projects, which enabled the Kaiserreich to continue the First World War in the first place).

## 1.2. Duisberg's memorandum and the first mergers

### 1.2.1. Structural difficulties and Duisberg's memorandum on the "Unification of German tar color factories"

The main problem facing the German chemical industry at the end of the 19th century lay in its own success. Not only in the paint sector, but also in the field of photographic products and pharmaceuticals, German chemistry had become dominant in the global market. This monopoly position drove the manufacturers to fierce battles for larger shares of the lucrative domestic and foreign markets. Price gouging, delaying patent procedures, favoritism and bribery - in short, all known forms of unfair competition - were the order of the day. Loss of earnings and slower growth were the consequences and the industry leaders began to look for a remedy. Carl Duisberg, CEO of BAYER and one of the dominant figures in the dye industry, was the first to take steps towards a solution.<sup>5</sup>

[4] TER MEER, FRITZ: *Die I.G. Farbenindustrie Aktiengesellschaft; ihre Entstehung, Entwicklung und Bedeutung*. Düsseldorf : Econ-Verlag, 2nd edition, 1953, p. 11.

Duisberg (born in 1861) was predestined for this role in many respects. He belonged to the generation of chemists who took over the leadership of the chemical industry after the withdrawal of the "founding generation". He had gained recognition both as a chemist and as a businessman, as well as for his 1895 memorandum on the structure and organization of a chemical company. Duisberg's personality was characterized by patriarchal imperiousness on the one hand, but also by instinctive adaptability on the other. Above all, however, he was a staunch nationalist who was deeply convinced of Germany's mission in the world. Both in politics and in business, he paid homage to the "Führerprinzip" and used this expression long before anyone had ever heard of Hitler. At the same time, however, he was also a unique opportunist who never let go of principles when carrying out his projects.



Carl Duisberg

(KÖHLER, OTTO: ... und heute die ganze Welt; *The history of I.G. Farben and its fathers*. Hamburg, Zurich : Rasch und Röhrig Verlag, 1986 - ISBN 3-89438-010-1, p. 170).

dependent. In the empire, in the Weimar Republic and under the Nazis, he always made the necessary adjustments - and success stayed with him.<sup>6</sup>

In 1903, Duisberg undertook a trip to the USA. There he saw how successfully the huge American corporate mergers (above all the Rockefeller corporation Standard Oil) were able to operate despite the "Sherman Antitrust Act" of 1890. Based on this observation, such a form of economic concentration seemed to him to be *"the right way to eliminate the present ruinous competition between the German tar dye factories"*. In his memorandum of 1904, he posed the question *"whether the conditions in the German chemical industry, and especially in the paint industry, are not also such that a merger of the various paint factories is not only expedient, but must also take place in the course of time"*. In his search *"for a way to eliminate the damage caused by competition without (losing) its advantages"*, Duisberg stated that *"it is inevitable that such a powerful corporation will create a small state within the state, which the legislators hate because it cannot be easily subordinated, and which the public fears because prices may rise, benefits may be increased and thus the envy and resentment of all those who are not involved or interested will be aroused"*

(...). *But the very worst thing that could happen to such a large, competition-eliminating*

[5] BORKIN, JOSEPH: *Die unheilige Allianz der I.G. Farben; eine Interessengemeinschaft im Dritten Reich*. Frankfurt/Main, New York : Campus Verlag, 1979, 1990 (Vol. 1030) - ISBN: 3-593-34251-0; Campus series, p. 10.

[6] BORKIN, JOSEPH: *Die unheilige Allianz der I.G. Farben; eine Interessengemeinschaft im Dritten Reich*. Frankfurt/Main, New York : Campus Verlag, 1979, 1990 (Vol. 1030) - ISBN: 3-593-34251-0; Campus series, p. 11.

On Duisberg as a person, see also: KÖHLER, OTTO: ... and today the whole world; *The history of I.G. Farben and its fathers*. Rasch und Röhrig Verlag : Hamburg, Zurich 1986 - ISBN 3-89438-010-1, chap. 4, 5.



*association can happen is the creation of new competitors, which are too often only set up for show, only to be bought up later by paying out large sums in compensation."*<sup>7</sup>

### 1.2.2. Formation of alliances

In view of the ever-increasing competition, the other representatives of the "big six" were also inclined towards this idea, which Duisberg pursued almost fanatically, but they were not prepared to surrender their independence to a group along the lines of Standard Oil. Instead, BAYER, BASF and AGFA initially founded a community of interests, as already existed in this loose form in other branches of industry. Shortly afterwards, HOECHST and CASSELLA formed a "two-way alliance" with mutual capital interlinking, which was expanded into a three-way alliance with KALLE in 1907.

BAYER 1863	BASF 1865	AGFA 1867/73	HOECHST 1863	CASSELLA 1798/1870	
Triple Alliance 1904			Zweibund 1904		KALLE 1863
			Tripartite association 1907		

The year 1904 thus brought an important change for German chemistry. The largest companies had formed two blocs, which were loosely linked by an indigo convention concluded between BASF and HOECHST in the fall of 1904. Competition took on a more regulated form in the ensuing prosperity, which meant that the rapid price decline of earlier years disappeared in favor of a slower price reduction. This also significantly improved the conditions for maintaining the supremacy that had once been achieved in the national and international arena.<sup>8</sup> The organizational concentration step enabled the individual companies to tackle and implement large projects that they would have found difficult to solve on their own. At this time, Farbenfabriken BAYER began work on rubber synthesis, which only gained its true economic significance years later in the course of the Nazi regime's policy of autarky.<sup>9</sup> However, the main exponent of a corporate policy geared towards large-scale projects was another company - BASF. The successful indigo synthesis in 1897 had already been such a project; it had swallowed up enormous investment costs, but proved to be enormously profitable after its successful completion. Now BASF was able to tackle an even bigger task, namely the extraction of nitrogen from the air.

- [7] SCHNECKENBURGER, ARTHUR: *The history of the I.G. Farben Group; the significance and role of a major company*. Cologne : Pahl-Rugenstein, 1988 - ISBN 3-7609-5242-9, p. 18f.
- [8] TAMMEN, HELMUTH: *The I.G. Farbenindustrie Aktiengesellschaft (1925-1933); a chemical company in the Weimar Republic*. Berlin : Helmuth Tammern, 1978, p. 11.
- [9] SCHNECKENBURGER, ARTHUR: *The history of the I.G. Farben Group; the significance and role of a major company*. Cologne : Pahl-Rugenstein, 1988 - ISBN 3-7609-5242-9, p. 19.

### 1.2.3. The development of the Haber-Bosch process

By the end of the 19th century, prominent scientists were increasingly warning of a world food crisis. The English chemist Sir William Crookes even feared that the Chilean saltpetre reserves would soon be exhausted, whereby *"the great Caucasian race would cease to be the first in the world, and (...) would be driven out of existence by races for whom wheat bread is not essential."*<sup>10</sup> Even if the fears regarding natural reserves proved to be unfounded, breaking the Chilean monopoly promised great commercial success. Reason enough for BASF not only to have its own scientists and technicians work on this project, but also to award generous research grants to independent scientists. One of these, the physical chemist Fritz Haber, first succeeded in 1909 in the promising laboratory synthesis of ammonia from the elements hydrogen and atmospheric nitrogen. The conversion of this laboratory process into an industrial process was entrusted to the then 34-year-old Carl Bosch at BASF. After four years, in the fall of 1913, mass production of ammonia using the Haber-Bosch process began in the new large-scale plant in Oppau. The investment seemed to have paid off for BASF, and Bosch became one of the stars in the company hierarchy. He was elected to the Board of Directors - with the clear characteristics of the future company boss.<sup>11</sup> Just how well the investments had been made - after all, ammonia can be used to produce not only fertilizers but also explosives - was to become apparent less than two years later...

## 1.3. Gunpowder and poisonous gases - Chemistry in the First World War

### 1.3.1. The failure of the Schlieffen Plan and its consequences

For four weeks, from its beginning until around the end of August 1914, the First World War proceeded for the German General Staff exactly according to the plan drawn up by Field Marshal von Schlieffen, who had died in 1913. In violation of Belgian neutrality, German armies had invaded France from the north, and at the same time a second attack was launched in the south-east. Victory over France seemed only a matter of time, and at the urging of banks and industry, Chancellor Theobald von Bethmann Hollweg was already drawing up plans for a reorganization of the European continent in favour of the German Empire. However, when the attacking German armies advanced too quickly, the French seized their last chance and pushed into the gap that had opened up, forcing the first major pitched battle on the Marne. The German army command's plan had thus failed and the First World War became a war of position.

[10] CROOKES, W.: Inaugural Address. In: *Nature* vol. 58 (1898) pp. 438-448. quoted from: KÖHLER, OTTO: ... and today the whole world; *The history of I.G. Farben and its fathers*. Rasch und Röhrig Verlag : Hamburg, Zurich 1986 - ISBN 3-89438-010-1, p. 20.

[11] BORKIN, JOSEPH: *Die unheilige Allianz der I.G. Farben; eine Interessengemeinschaft im Dritten Reich*. Frankfurt/Main, New York : Campus Verlag, 1979, 1990 (Vol. 1030) - ISBN: 3-593-34251-0; Series Campus, p.15.

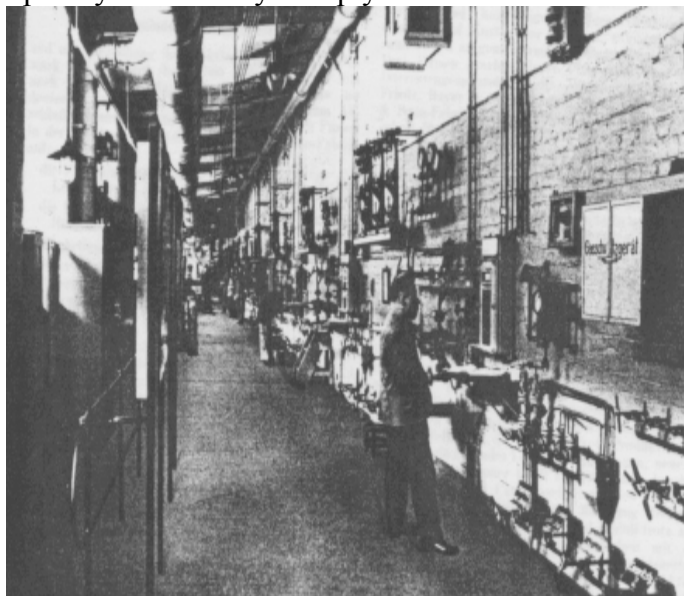
The failure of the Schlieffen Plan immediately revealed the short-sightedness of the German generals, who were so convinced of the success of their strategy that they had completely neglected to prepare for a prolonged war. Above all, the generals had not taken into account the fact that Germany was dependent on imports for practically all important raw materials and generally had no significant stocks. In particular, there was a shortage of saltpetre, the crucial raw material for munitions production, as the Reich was completely cut off from supplies from Chile due to the British blockade. As early as September 1914, the shortage of ammunition became so severe that it almost looked as if the German Reich would have to abandon the war, which had begun with such ambitious goals, by the beginning of 1915 at the latest.

### 1.3.2. Industry and capital save the war - Bosch and BASF supply the gunpowder

This is where German industry stepped in, initially in the form of Walther von Rathenau, the Chairman of the Board of AEG. Just one week after the start of the war, he approached General von Falkenhayn, the head of the Supreme Army Command, to draw his attention to the danger of a general shortage of raw materials, which would inevitably threaten Germany and German industry in the event of a prolonged war. Rathenau did not stop at a warning, however, but also proposed a system of controls for the rationing and distribution of strategically important raw materials (which also included the supplies of Belgium, which had just been overrun). Falkenhayn quickly understood what he was being told, and just three days later the War Raw Materials Department (KRA) was established within the War Ministry - under Rathenau's leadership, of course. The chemical industry did not remain idle either. Immediately after the Battle of Marne in September 1914, a meeting took place in Berlin between BASF CEO Carl Bosch on the one hand and high-ranking military representatives on the other. In the course of this discussion, Bosch was shocked by the generals' ignorance of the basics of explosives production, but at the same time he also saw an opportunity to help the chemical industry, which had fallen into disuse due to the war and the blockade, to fill its order books again by producing gunpowder for the war. The only condition for this was that a large-scale process for the production of nitric acid from ammonia had to be found. Bosch considered this to be a solvable problem and subsequently made what was later known as the "nitric promise" to the supreme army command. Of course, this offer was not in vain - Bosch demanded the dismissal of all Oppau personnel from the army, purchase and price guarantees for the nitric acid produced and a government loan of 35 million marks. In view of the situation, the Reich ultimately had no choice but to accept these conditions. Bosch returned to Oppau and began a major effort to boost the new project. This undertaking can be seen as the prototype of the "Manhattan Project": unrestricted cooperation between the state and industry to solve a specific armaments problem on which the outcome of a war could depend, regardless of cost and material expenditure.<sup>12</sup> When the first nitric acid plant in Oppau began production in May 1915 (by this time, all other nitric acid supplies in Germany, whether gathered in the Reich itself or plundered in the occupied countries, were as good as exhausted), the continued existence of the plant was a matter of course for the military.

[12] BORKIN, JOSEPH: *Die unheilige Allianz der I.G. Farben; eine Interessengemeinschaft im Dritten Reich*: Frankfurt/Main, New York : Campus Verlag, 1979, 1990 (Vol. 1030) - ISBN: 3-593-34251-0; Series Campus, p.20f.

of the war. However, the capacity of the Oppau facilities was soon insufficient - the ammunition consumption in the murderous battles was too enormous. For reasons of price and time, the Reich government initially demanded an expansion of the existing capacities, but this was not what Carl Bosch had in mind. It seemed hard to imagine a more favorable opportunity for BASF to acquire a completely new factory cheaply.



Werbeschrift 1936. R.&H.Hoppenstedt '33, Spezialarchiv der dt. Wirtschaft (Sonderveröffentlichung), Berlin, 1936, p. 16a.)

In cooperation with the section chief for chemical issues in the War Ministry (a reserve lieutenant named Hermann Schmitz, who had laid the foundation for his bright future in the management levels of the chemical industry with this collaboration...), Bosch succeeded in getting a new ammonia and saltpetre plant built in Leuna in central Germany. As early completion and maximum plant capacity were in the army's best interests, Leuna proved to be a real goldmine for BASF. Reich loans totaling 432 million marks

(which were finally repaid in the hyperinflation year of 1923) were subject to an approval procedure unde

r  
Military law and an  
expropriation procedure with which the

Farmers in and around Leuna, who believed they were defending their property in the trenches of the Western and Eastern fronts, had their land snatched from them for a fifth of its actual value: "*As a large proportion of the owners are currently in the field, the purchase cannot be completed in the normal way for weeks or months. The War Ministry could support us by initiating expropriation on the basis of the War Benefits Act.*"<sup>13</sup> BASF's financial success was high enough to justify a 25% profit distribution to shareholders throughout the war.<sup>14</sup>

### 1.3.3. Chemical science in the service of war and inhumanity

Not only the large-scale chemical industry, but also the representatives of chemistry as a science did their best to enable the Kaiserreich and the Supreme Army Command to continue the war. At Rathenau's suggestion, a department headed by Fritz Haber was set up at the War Ministry to deal with the search for synthetic substitutes for the scarce natural raw materials - the "Haber Office". In order to

- [13] *Kämpfendes Leuna*, Berlin 1961, p. 44. quoted from: KÖHLER, OTTO: ... and today the whole world; *The history of I.G. Farben and its fathers*. Rasch und Röhrig Verlag : Hamburg, Zurich 1986 - ISBN 3-89438-010-1, p. 33
- [14] BORKIN, JOSEPH: *Die unheilige Allianz der I.G. Farben; eine Interessengemeinschaft im Dritten Reich*: Frankfurt/Main, New York : Campus Verlag, 1979, 1990 (Vol. 1030) - ISBN: 3-593-34251-0; Campus series, p. 25f.

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Nationalists (*"The scientist serves humanity in peace, the fatherland in war."*) and militarists Fritz Haber, who had initially applied as a war volunteer despite his age of 45 and had been very disappointed not to be considered, the elite of German science gathered with Walther Nernst, Emil Fischer, Gustav Hertz, Wilhelm Westphal, Erwin Madelung, Richard Willstätter, James Franck, Otto Hahn, ... who all put their knowledge and skills at the service of the war.<sup>15</sup> As long as research into the large-scale production of nitric acid was still being carried out in the laboratories in Oppau, the German army leadership was looking for other ways to get the frozen fronts moving. The desired method was developed in the "Haber Office". It was nothing other than the idea of using chlorine gas (and other toxic substances), which was produced in large quantities as waste in the chemical industry, as a weapon. Although the Hague Convention, which Germany had also signed, prohibited the use of poisonous gases, the prospects of success were slim.



"The filling of Per-Stoff into 7.7 cm grenades in the presence of Privy Councillor Haber and Prof. Hahn, May 1916"

(DUISBERG, CARL: *My memoirs*. Leipzig : Philipp Reclam jun., 1933, p. 96b.)

The threat posed by the use of chemicals was too tempting to be held back by the convention. The mere fact that poisonous gases were banned gave Germany an element of surprise.<sup>16</sup> The scientists in particular had no scruples in this regard: *"The human body, with its 2 square meters of surface area, represented a target that could no longer be brought up to the defended position undamaged against the iron vortex of machine gun and field cannon. The defender could not be fought down in his ground cover before the storm, because the flying iron parts did not reach him sufficiently. It was a matter of scientific imagination to foresee this situation and to fall back on the remedy made possible by the state of the art. This remedy is gas warfare."*<sup>17</sup> Although a first attempt with xylol bromide (T-substance) on the eastern front near Bolimov in January 1915 failed due to the cold, the first major use was then made of chlorine gas near Ypres on April 22, 1915. The effect of the gas attack was truly devastating. Before evening, 15,000 men lay on the battlefield, a third of them dead. A huge gap of almost ten

- [15] One of the few exceptions among the chemists was Hermann Staudinger, who stated in a memorandum on peace in exile in 1917: *"We chemists (have) the obligation in future (...) to draw attention to the dangers of modern technology in order to work for a peaceful shaping of European conditions."* Haber, to whom this was addressed, then accused Staudinger of having *"stabbed Germany in the back at the time of its greatest need"*. (ANGERER, JO: *Chemical Weapons in Germany; Misuse of a Science*. Darmstadt : Luchterhand, 1985, p. 49).
- [16] BORKIN, JOSEPH: *Die unheilige Allianz der I.G. Farben; eine Interessengemeinschaft im Dritten Reich*: Frankfurt/Main, New York : Campus Verlag, 1979, 1990 (Vol. 1030) - ISBN: 3-593-34251-0; Campus series, p. 23.
- [17] HABER, FRITZ: *Five lectures*. Berlin 1924, p. 27f. quoted from: KÖHLER, OTTO: *... and today the whole world; The history of I.G. Farben and its fathers*. Rasch und Röhrig Verlag : Hamburg, Zurich 1986 - ISBN 3-89438-010-1, p. 44f.

kilometers had been torn into the Allied lines. Nothing stood between the Germans and the unprotected French Channel ports directly opposite England. But the inability of the German army command to foresee the success of their new weapon spared the Allies from annihilation. Haber was very bitter about this. As he later wrote, the Germans would have won the war if they had followed his advice and launched a large-scale attack instead of the Ypres experiment.<sup>18</sup> After the Ypres attack, Haber prepared a gas attack on the Eastern Front. His wife Clara, herself a chemist with a doctorate, asked him to abandon the project. Poison gas was a perversion of science and its use was barbaric. He refused her request on the grounds that, as a patriot, it was his duty to do everything in his power to help Germany. On the night of his departure for the Eastern Front, Clara Immerwahr-Haber committed suicide.

Even after the suicide of his wife, Captain Haber's work focused on the

Gas war. After chlorine, other, even more toxic and dangerous substances such as phosgene ("Per-Stoff") and mustard gas ("Lost") were tested and used over time. But other aspects of war technology were also worked on in "Büro Haber", for example Walther Nernst's name is not only associated with the equation named after him, but also with the invention of a cruel weapon - the flamethrower. Haber and his colleagues put themselves unreservedly, even enthusiastically, at the service of the state and the military. With the disrespect for given "limits" (whatever these may be) that is characteristic of scientists, they optimized the mass destruction of human life - always strictly scientifically - to an extent that probably not even the military had previously hoped for.<sup>19</sup>

#### 1.3.4. The war production of the chemical industry

Germany needed no cumbersome administrative apparatus for the provision of new war chemicals, the semi-industrial work of developing new manufacturing processes, or the actual production of approved substances. By relying on the German chemical companies, it could dispense with such extensive administrative machinery, the establishment of which hampered the efforts of the Allied countries (...) There was no need to set up a new authority, since a powerful organization already existed in the German chemical companies.<sup>20</sup> The gas war made use of the waste products of paint production and thus provided the chemical industry, which had been deprived of its sales markets abroad, with new profit opportunities.

It is a peculiarity of the chemical industry that it can be converted from peacetime to wartime production within a short space of time. Within six weeks, for example, a paint factory in Leverkusen was converted to produce 250 tons of TNT

[18] BORKIN, JOSEPH: *Die unheilige Allianz der I.G. Farben; eine Interessengemeinschaft im Dritten Reich*: Frankfurt/Main, New York : Campus Verlag, 1979, 1990 (Vol. 1030) - ISBN: 3-593-34251-0; Campus series, p. 24.

[19] A prime example of how this attitude still persists today was provided by the American chemist Louis Fieser, who set himself the goal of "improving" the effect of incendiary bombs, inventing napalm in the process and making his discovery available to the military without reservation.

[20] VICTOR LEFEBURE: *The Riddle of the Rhine*. London 1921, pp. 85, 144. quoted from: BORKIN, JOSEPH: *Die unheilige Allianz der I.G. Farben; eine Interessengemeinschaft im Dritten Reich*: Frankfurt/Main, New York : Campus Verlag, 1979, 1990 (vol. 1030) - ISBN: 3-593-34251-0; Campus series, p. 24f.

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a month.<sup>21</sup> When the production of substitutes etc. was added to this, the dye factories were at least as well off economically as before the war: *"If you were to see how things look here in Leverkusen now, how the whole factory has been turned upside down and reorganized, how we are exporting almost nothing but war supplies (...), you, as the father and instigator of these factories, would be delighted."*<sup>22</sup> Accordingly, a man like Carl Duisberg, both as a German nationalist and as Chairman of the Board of Management of BAYER, was vehemently committed to the further development of chemical warfare. It was Duisberg who came up with the idea of developing the



German gas attack near Ypres

(KÖHLER, OTTO: *... und heute die ganze Welt; The history of I.G. Farben and its fathers*. Hamburg, Zurich : Rasch und Röhrig Verlag, 1986 - ISBN 3-89438-010-1, p. 173).

*The best way to see how unpleasant it is is that I spent almost 8 days in bed because I inhaled this nasty stuff just a few times (...). If you treat your opponent with this most poisonous of all gaseous products for hours on end, I believe that if they don't, as is probably the case, immediately run away, they will subsequently fall ill and develop febrile bronchitis."*<sup>23</sup>

- [21] KÖHLER, OTTO: *... and today the whole world; The history of I.G. Farben and its fathers*. Rasch und Röhrig Verlag : Hamburg, Zurich 1986 - ISBN 3-89438-010-1, p. 71.
- [22] Carl Duisberg to Max Bauer, July 24, 1915, Federal Archives Koblenz. quoted from: BORKIN, JOSEPH: *Die unheilige Allianz der I.G. Farben; eine Interessengemeinschaft im Dritten Reich*: Frankfurt/Main, New York : Campus Verlag, 1979, 1990 (Vol. 1030) - ISBN: 3-593-34251-0; Campus series, p. 26.
- [23] Carl Duisberg to Max Bauer, 03.03.1915, Bundesarchiv Koblenz. quoted from: BORKIN, JOSEPH: *Die unheilige Allianz der I.G. Farben; eine Interessengemeinschaft im Dritten Reich*: Frankfurt/Main, New York : Campus Verlag, 1979, 1990 (Vol. 1030) - ISBN: 3-593-34251-0; Campus series, p. 23.

Production of the most important warfare agents in Germany 1914-1918<sup>24</sup>

Substance	Producer	Start of production	Total quantity in 1000t
Phosgene	BASF/BAYER	before 1914 (precursor for dye production)	11,1
Diphosgene	BAYER/HOECHST	June 1915	15,6
Lost	BAYER	June 1917	44,8
Clark	HOECHST AGFA/CASELLA/KALLE smaller companies	May 1917	3,0
Cyanclark	HOECHST AGFA/CASELLA/KALLE smaller companies	n/a	3,5
Chloropicrin	BAYER	June 1916	6,0
Chlorine	BASF/BAYER	before 1914 (precursor of dyestuff production)	27,6

### 1.3.5. The influence of the chemical industry on politics - the Duisberg-Bauer-Ludendorff axis

On the one hand, the war had brought the German chemical industry unimagined profits, and on the other, it had greatly strengthened its political influence. Carl Duisberg, in particular, did anything but let the resulting opportunities go to waste. Although the chemical industry had had no reason to be dissatisfied with Chief of Staff Falkenhayn at the beginning of the war, this changed as the war progressed, as he had opposed the expansion of armaments production desired by the industry. For Duisberg, the lost Battle of the Somme in July 1916 was the external reason to *"practically intervene in the spokes of the war wheel."*<sup>25</sup> On March 4, 1916, he had already given a speech to the Industrialists' Club in Düsseldorf in which he highlighted the chemical industry's war achievements to date and called for the appointment of *"Bismarck natures"* at the head of the army's supreme command, *"who would hammer away with an iron fist if necessary"*. Now he (together with Krupp and Thyssen) intrigued against Falkenhayn through the general staff officer Max Bauer, the outstanding supporter of industrial interests in the military leadership, until he was finally replaced on August 28 by the team of Field Marshal Hindenburg and General Ludendorff. The third man in this military "leadership troika" was the aforementioned Max

[24] MAX-PLANCK-SOCIETY: ... *in peace for mankind, in war for the fatherland...*; 75 years of the Fritz Haber Institute of the MPG; Remarks on the past and present; p. 30.

[25] Carl Duisberg to Max Bauer, September 10, 1916, Federal Archives Koblenz. quoted from: BORKIN, JOSEPH: *Die unheilige Allianz der I.G. Farben; eine Interessengemeinschaft im Dritten Reich*: Frankfurt/Main, New York : Campus Verlag, 1979, 1990 (Vol. 1030) - ISBN: 3-593-34251-



ry 0; Campus series, p. 27.

Bauer, which gave Duisberg in particular a direct link to the decision-making structures of the military and political leadership. Just three days later, the new supreme army command announced an armaments program that called for a doubling of the previous ammunition production, a significant increase in poison gas production and a tripling of the production of cannons and machine guns. As if that were not enough, on September 9, a meeting took place between Krupp and Duisberg as well as Hindenburg and Ludendorff, mediated by Lieutenant Colonel Bauer, which the two industrialists used to complain about the war-related labor shortage. The result of this meeting was a letter to the Reich Chancellor, the content of which can only be characterized as a program for total war: *"The questions such as*

*1. the replacement for the land army remains secured and at the same time 2. the war industry - without*

*damage to agriculture - can be further increased, are (...) extremely urgent and of decisive importance for the outcome of the war. It already seems impossible that these questions can be settled without drastic legal measures (...). The bitter gravity of the situation (...) forces the creation of manpower through a war performance law (...) a) the possibility of transplanting workers from almost idle branches of industry (textile industry, etc.); b) restricting the personnel of the entire non-war industry (department stores, etc.) and utilizing them differently; c) making full use of the manpower of each individual (...). The principle 'He who does not work shall not eat' is more justified than ever in our situation, also with regard to women (...). Forced state training and use of war invalids in war industry and agriculture (...). Closure of universities, seminaries, etc., insofar as the unavoidable needs of the individual professions (doctors) permit (...). Otherwise, for example, students of chemistry and technical professions are to be employed in factories etc. (...). The entire German people may only live in the service of the fatherland (...)." <sup>26</sup> Despite this "Hindenburg Program", the labour shortage remained the main problem for industry, so that Duisberg soon suggested *"opening up the Belgian labour pool"*. From mid-November 1916, a total of 60,000 Belgians were brutally deported by the army for forced labor in German industrial companies. The project failed, however, as the Belgians refused to work and the strong interest of the world public did not allow the use of harsher means of coercion. The project was eventually aborted and the Belgians were transported back to their homeland (the Polish, Serbian and Russian forced laborers were less fortunate - the world public was not interested in their fate and they continued to perform slave labor for the German war machine). <sup>27</sup>*

As the war dragged on, the realization of the need for

that the war could no longer be won and that peace negotiations were preferable to the illusion of a glorious victory. Nothing could have been more inconvenient for the alliance of the supreme army command and industry than such plans. While Ludendorff put pressure on the Reichstag to push through the plans for total war, Duisberg demanded the dismissal of the Reich Chancellor on February 25, 1917 "in agreement with Ludendorff and Hindenburg": *"If it came to a contradiction, either Hindenburg or Bethmann, the removal of Bethmann would be certain (...). We are fully prepared for war and violence, and the best thing would be if this situation were also expressed outwardly, if the Marshal were also Chancellor (...). If the marshal is victorious in the field, the chancellor is also victorious in 'politics'. For*

[26] LUDENDORFF, ERICH: *Documents of the Supreme Army Command*. Berlin 1920 p. 65ff. quoted from: KÖHLER, OTTO: *... and today the whole world; The history of I.G. Farben and its fathers*. Rasch und Röhrig Verlag : Hamburg, Zurich 1986 - ISBN 3-89438-010-1, p. 105ff.

[27] cf.: KÖHLER, OTTO: *... and today the whole world; The history of I.G. Farben and its fathers*. Rasch und Röhrig Verlag : Hamburg, Zurich 1986 - ISBN 3-89438-010-1, p. 116.

*Now 'politics' equals war and war equals 'politics'.*"<sup>28</sup> When Lieutenant Colonel Max Bauer finally intrigued against Bethmann Hollweg in Berlin, the Kaiser capitulated to the "revolt of the industrialists" - the Chancellor had to go.

Duisberg and the chemical industry also benefited from their close relationships with the military leadership in another not entirely unproblematic situation. Even industry-friendly officers, such as Captain Richard Merton (in civilian life head of the "Metallgesellschaft", the largest metal trading company in the world), who was active in the war office, had noticed that the profits of the war industry had long been out of proportion to the services rendered. Just as Duisberg once again put forward the industry's demand for a general wage freeze, Merton presented his superior, General Groener, with a paper with the provocative title "Memorandum on the necessity of state intervention to regulate company profits and workers' wages". In it, he denounced, among other things, the system of not specifying the price of a delivery until the delivery itself, so that the state as the client was forced to pay any sum demanded. He noted that the profits of the war industry were already high enough to absorb a wage increase without a simultaneous price increase. From this, Merton developed three demands: Prices should be set when the contract is signed, not when it is delivered. Profits from armaments contracts should be taxed more heavily. Finally, the Reich Chancellor should be authorized to place uncooperative companies under receivership. Groener passed the memorandum - signaling approval - to the new Chancellor Michaelis, thereby challenging industry in the strongest possible terms. In response, Duisberg invited a group of influential industrialists to a meeting at the Düsseldorf Industry Club and sounded the alarm in the invitation, pointing out that measures to limit profits were planned against the companies and that action was needed urgently. Once again, the Duisberg-Bauer-Ludendorff axis proved its worth. Groener was transferred to the troops and Merton was ordered to a particularly endangered area on the Western Front. It was only through the intervention of Major Kurt von Schleicher that he escaped this fate and was given an assignment to investigate "bribery in the industry of the occupied territories". Otherwise, everything remained the same and the enormous profits of the industry producing for the war remained completely untouched. Duisberg rejected all accusations that he and Bauer had schemed against Groener. However, the historian Gerald Feldman, who studied the relevant documents, later came to the conclusion: "*In view of the available evidence (...) it is impossible to believe that Duisberg did not lie.*"<sup>29</sup>

### 1.3.6. Conclusions

During the four years of the First World War, the chemical industry had initially made it possible to continue the killing beyond the limits of natural raw material supplies. In close cooperation with the scientific community, it had developed, produced and

- [28] German Central Archive Merseburg, Rep. 77, Tit. 863A, No. VI quoted from: WEBER, HELLMUTH: *Ludendorff and the monopolies*. Berlin 1966, p. 104. and HAUSSMANN, CONRAD: *Schlaglichter*. Frankfurt 1924 p. 89. quoted from: KÖHLER, OTTO: ... *and today the whole world; The history of I.G. Farben and its fathers*. Rasch und Röhrig Verlag : Hamburg, Zurich 1986 - ISBN 3-89438-010-1, p. 119.
- [29] BORKIN, JOSEPH: *Die unheilige Allianz der I.G. Farben; eine Interessengemeinschaft im Dritten Reich*: Frankfurt/Main, New York : Campus Verlag, 1979, 1990 (Vol. 1030) - ISBN: 3-593-34251-0; Campus series, p. 30.

use of of chemical weapons of mass destruction raised this war to an even higher level of inhumanity. While there were a total of 2242 fatalities and 85630 reported accidents in production for war needs during these years<sup>30</sup> the profits of the chemical industry rose to unprecedented heights. In short - in these four years, the chemical industry and its leaders showed nothing but the two ugly faces of the warmonger and the war profiteer.



Explosion at a TNT production plant on January 27, 1917 - at least eight dead and hundreds injured  
(DUISBERG, CARL: *My memoirs*. Leipzig : Philipp Reclam jun., 1933, p. 104b.)

## 1.4. From the war via Versailles to the post-war period - A community of interests becomes a global corporation

### 1.4.1. The 'little I.G.'

In addition to the great profits for its industry, the I. World War I also had another positive aspect for Carl Duisberg. What Duisberg's entire agitational power had not fully accomplished between 1903 and 1914 went almost without a hitch under the conditions of wartime production - the merger of all the important German chemical companies. There were two main reasons for this. It was clear to everyone involved that the outstanding position of the German paint industry would not be restored after the end of the war (regardless of the outcome), because once the Allies had realized that the chemical industry was an essential key to the military power of the German Reich, they all invested significant sums in building up their own national paint industry. This meant that huge overcapacities in the chemical sector were foreseeable long before the end of the war.



The Community of Interests Treaty of 1916

(HEINE, JENS ULRICH: *Verstand und Schicksal; Die Männer der I.G. Farbenindustrie A.G. (1925-1945) in 161 Kurzbiographien*. Weinheim, New York, Basel, Cambridge : Verlag Chemie 1990 - ISBN: 3-527-28144-4, p. 17).

[30] KÖHLER, OTTO: ... *and today the whole world; The history of I.G. Farben and its fathers*. Rasch und Röhrig Verlag : Hamburg, Zurich 1986 - ISBN 3-89438-010-1, p. 113.

Furthermore, the special structure of war production, the focus on the state as the only customer, demanded a functioning cross-company organization. From this point of view, it was a logical consequence of the circumstances that in August 1916 Dreibund (BAYER, BASF, AGFA) and Dreierverband (HOECHST, CASSELLA, KALLE) joined forces with Chemische Fabrik vorm. Weiler Ter Meer to form a 'community of interests of the German tar dye factories', initially for 50 years (Chemische Fabrik Griesheim-Elektron was added in 1917). This association was later referred to as the 'small I.G.'.

#### 1.4.2. The I.G. saves itself from defeat, revolution and Versailles negotiations

After the military defeat of the German Reich became apparent at the end of 1918 and revolutionary workers' and soldiers' councils took power in many cities, it initially seemed as if the power of industry and capital had been broken. The Allies had expressed their willingness to punish those responsible for the war and war crimes, and so it was that Duisberg temporarily fled to Switzerland a few weeks after the armistice on November 11th

- as did Fritz Haber and Walther Nernst. After the suppression of the revolution by the alliance of the SPD government under Ebert and the military, the prospects for I.G. had improved again, at least in terms of domestic politics. For the peace negotiations with the Allies, BASF boss Carl Bosch was appointed by the new government as its spokesman for economic affairs. His job was to save the I.G. companies. Germany may have lost the war, but I.G. had no intention of losing the peace.<sup>31</sup>

During the peace negotiations themselves, the Allies had differing views on how to proceed with regard to the chemical industry. The British and Americans wanted to limit themselves to those areas that were only important for the production of poison gas and explosives, but not for civilian production. To their disappointment, they did not discover anything that was not already known to science - this utilization of existing potential was precisely the background against which the gas war had been waged by the Germans. In contrast, the French demanded the disclosure of all production secrets about paint production and in particular about ammonia and nitrate production in Leuna and Oppau. Finally, the Allies' conditions for a peace treaty even included the demand for the closure and dismantling of all factories that had been used for the "*manufacture, preparation, storage or construction of weapons, munitions or any war material*"<sup>32</sup> which obviously also meant the I.G. plants that had produced poison gas and nitrates. In this form, this would have meant the end of the German chemical industry. However, Bosch played his trump card here. This was Joseph Frossard, who had been ordered to Ludwigshafen after the end of the war to inspect BASF's occupied production facilities there and then turned up in Versailles as an expert on dyes and chemical products. The result of Bosch's negotiations with Frossard and his mediation with French military representatives was an agreement under which I.G. gave the French the production secrets of both the dyestuffs industry and the Haber-Bosch

[31] BORKIN, JOSEPH: *Die unheilige Allianz der I.G. Farben; eine Interessengemeinschaft im Dritten Reich*: Frankfurt/Main, New York : Campus Verlag, 1979, 1990 (Vol. 1030) - ISBN: 3-593-34251-0; Campus series, p. 32.

[32] Treaty of Versailles, Art. 168. quoted from: BORKIN, JOSEPH: *Die unheilige Allianz der I.G. Farben; eine Interessengemeinschaft im Dritten Reich*: Frankfurt/Main, New York : Campus Verlag, 1979, 1990 (vol. 1030) - ISBN: 3-593-34251-0; Campus series, p. 36.

process. In return, they would waive their demand to dismantle the I.G. factories. This saved I.G. - albeit at a high price.

Around the same time, the decision of the Nobel Committee in Stockholm to award the Nobel Prize for Chemistry to Fritz Haber for his work on ammonia synthesis drew the world's attention back to the problem of war crimes. Despite many protests, particularly from French scientists, the award ceremony went ahead as planned. This was symptomatic of the entire treatment of the problem since the end of the war. Of an original list of 900 people who were to be charged with war crimes (including Haber), only 45 remained two years later, mainly marginal figures such as submarine commanders or prison guards. By contrast, the prominent decision-makers of the former German Empire had long since re-established themselves in their old or influential new positions. The name of Carl Duisberg, whose caution had prompted him to flee to Switzerland for a short time, had not even appeared on the first list.

### 1.4.3. Repression of workers' rights

For the workers in the chemical industry, the suppression of the November Revolution marked the beginning of a steady deterioration in their situation. In Versailles, Bosch had succeeded in dissuading the trade union leaders, who were also taking part in the peace negotiations, from the idea of socializing large-scale industry by promising them seats on the board of directors of a newly founded syndicate of German nitrogen producers (this syndicate was actually to exist until 1945 and become one of the main pillars of the I.G. Farben Group). Due to the labor shortage during the



The catastrophe of Oppau in 1921

(KÖHLER, OTTO: ... und heute die ganze Welt; *The history of I.G. Farben and its fathers*. Hamburg, Zurich : Rasch und Röhrig Verlag, 1986 - ISBN 3-89438-010-1, p. 174).

After the Second World War, chemical workers had been able to achieve some improvements in their situation before 1918. Now, however, most companies reduced their workforces back to pre-war levels and gradually reversed these improvements. In order to keep profits as high as possible in a time of economic crisis, working conditions were tightened wherever possible. This policy was probably the main cause of one of the greatest industrial disasters in history. On

On September 21, 1921, there was a gigantic explosion at the BASF plant in Oppau, which completely destroyed the plant. Presumably a mixed fertilizer consisting of ammonium sulphate and ammonium nitrate had become explosive due to a new, cheaper but unsuitable production process. In order to still be able to sell the rock-hard mass - over 4000 tons in total - it was to be blown up with detonators so that it could be loaded; in addition, the workers involved in this dangerous work were

The company put pressure on the blasting technicians commissioned to carry out the work through a pay-for-performance system and thus induced them to disregard safety regulations. 565 people were killed inside and outside the plant, more than 2000 were injured and over 7000 were left homeless.<sup>33</sup> Even after this catastrophe, however, the curtailment of workers' rights that had been fought for continued. On

On March 3, 1924, the last of these improvements at BASF was abolished with the abolition of the eight-hour working day and the protests against it were bloodily suppressed with the help of the French occupying power.<sup>34</sup>

#### 1.4.4. The economic situation in the chemical industry leads to the founding of the I.G. Farben Group at

On the whole, the situation of the German chemical industry in the years following the First World War was not particularly good. World War I was not particularly good, but it was far more favorable than the industrialists had feared. The internal structures of the I.G. had not been touched and the dismantling of the paint and nitrogen factories had been prevented. Of course, the outstanding position that German industry had held in the pre-war period was irretrievably lost. The Americans and British owned the foreign patents of the German paint factories that had been confiscated during the war, and many production secrets had had to be disclosed to the French following the Treaty of Versailles. Nevertheless, the German paint industry was still a center of power of decisive importance. Nationally, I.G. was even *"the only major group whose shares were worth more on the stock exchange after the gold conversion than before the war. Instead of 735 million at the end of 1913, the market value of the six large Group companies amounted to 777 million at the end of December 1924."*<sup>35</sup> However, as it was foreseeable that foreign competition would continue to grow, Duisberg proposed in 1923 that at least the foreign sales agencies of the individual I.G. members should be merged. Independently of Duisberg, Bosch was also considering a closer alliance of German chemical companies. As a "pioneer" of high-pressure technology, Bosch had already recognized the other possibilities in this field (e.g. coal hydrogenation, synthetic rubber synthesis, ...). However, the financing of such projects was far beyond the means of BASF, so that he actively worked towards a merger of all the companies represented in the former 'small I.G.'. Thanks to his strong position, Bosch was finally able to prevail. In 1924, the eight I.G. companies concluded an agreement to merge into a single company, which was finally signed on December 25, 1925, by merging the other seven companies into BASF were integrated.

[33] cf.: KÖHLER, OTTO: ... *and today the whole world; The history of I.G. Farben and its fathers*. Rasch und Röhrig Verlag : Hamburg, Zurich 1986 - ISBN 3-89438-010-1, p. 153.

[34] cf.: KÖHLER, OTTO: ... *and today the whole world; The history of I.G. Farben and its fathers*. Rasch und Röhrig Verlag : Hamburg, Zurich 1986 - ISBN 3-89438-010-1, p. 166ff.

[35] BAYER plant archives 1930. quoted from: TAMMEN, HELMUTH: *Die I.G. Farbenindustrie Aktiengesellschaft (1925-1933); ein Chemiekonzern in der Weimarer Republik*. Berlin : Helmuth Tamm, 1978, p. 14.

## 2. I.G. Farben in the Weimar Republic

### 2.1. Structure and structure

A consideration of the economic power of the I.G. is important, as this clearly refutes the thesis that the I.G. was a "victim" of the National Socialists and was only willing to cooperate through coercion; rather, it becomes clear that the Second World War could never have taken place in its full cruelty without the participation of the I.G..

The structure of the group<sup>36</sup> is interesting, as it was this that made the concentration of power possible and allowed it to grow, which made the I.G. a mainstay of the Nazis in their preparations for war.

#### 2.1.1. I.G. Farbenindustrie Aktiengesellschaft as a company:

I.G. Farben was founded on December 2, 1925 as the end point of the decades-long concentration process in the German chemical industry. By incorporating the companies Bayer (27.4% of the share capital) and Hoechst (27.4%), the Aktiengesellschaft für Anilinfabrikation (Agfa) (9.0%), the chem. Fabriken vormals Weiler Ter Meer (1.9%) and chem. Fabrik Griesheim-Elektron (6.9%) into BASF (27.4%) created the largest group in Europe and the largest chemical group in the world. Although it was surpassed by some US trusts, but these usually only dealt with one product (e.g. Standard Oil), while I.G. produced many thousands.



The I.G. Farben administration tower in Frankfurt  
(DUISBERG, CARL: *My memoirs*. Leipzig : Philipp Reclam jun., 1933, p. 160b.)

By increasing the share capital and incorporating further companies, the total capital for 1926 amounted to around RM 1.4 billion and the workforce was around 100,000, consisting of 2.6% academics, 18.2% other employees and 79.2% workers.<sup>37</sup>

The reason for the merger was intensified international competition. This concentration process therefore took place both in the USA and in the UK, where Imperial Chemical Industries Ltd (ICI) was formed.

[36] TAMMEN, HELMUTH: *The I.G. Farbenindustrie Aktiengesellschaft (1925-1933); a chemical company in the Weimar Republic*. Berlin : Helmuth Tammen, 1978, pp. 21-29.

[37] TAMMEN, HELMUTH: *The I.G. Farbenindustrie Aktiengesellschaft (1925-1933); a chemical company in the Weimar Republic*. Berlin : Helmuth Tammen, 1978, p. 195.



### 2.1.2. Organization and management of I.G.

The creation of the I.G. made it possible to organize all the scientific, technical and commercial activities of the former individual companies. This was achieved through a spatial as well as technical organization.

The first measure resulted in 4 joint ventures (BGs): the BG Oberrhein (Ludwigshafen), the BG Mittelhhein (Frankfurt-Hoechst), the BG Niederrhein (Leverkusen) and the BG Mitteldeutschland (Wolfen-Bitterfeld and Frankfurt/Oder), from which the BG Berlin was spun off in 1929, as well as the Bergwerksverwaltung Halle. However, only in the BG Niederrhein were all the plants located in this area part of the BG, as the affiliation was not based on geographical location alone, but also on historical development. For example, the largest I.G. plant, Leuna-Werke, although located in Central Germany, was incorporated into the Upper Rhine BG as a subsidiary of Oppau. Within the individual BGs, there was a central administration, joint transport and stockpiling, true to Duisberg's postulate of "decentralized centralization". This meant that the 50 or so I.G. companies retained a great deal of independence, including their own research laboratories and accounting departments.

In addition to this regional structure, there was a vertical structure of sales associations (VGs) and production technology divisions. There were the VG Chemikalien (Frankfurt a.M.), the VG Pharmazeutika (Leverkusen), the VG Photo und Kunstseide (Berlin), the VG Farben (from 1930 Frankfurt a.M. previously in the BGs) and from 1919 the Stickstoffsyndikat and for the later sale of Leuna petrol the German Gasolin and the I.G. Abteilung Öle (Berlin).

In 1929, the technical production groups were also combined into 3 divisions, which were to centrally regulate production and investment issues. These were Division I - Nitrogen, Oils and Mines, headed by Carl Krauch, Division II - Dyes, Chemicals and Pharmaceuticals, headed by Fritz ter Meer, and Division III - Artificial Silk, rayon and Photographs, headed by Fritz Gajewski.

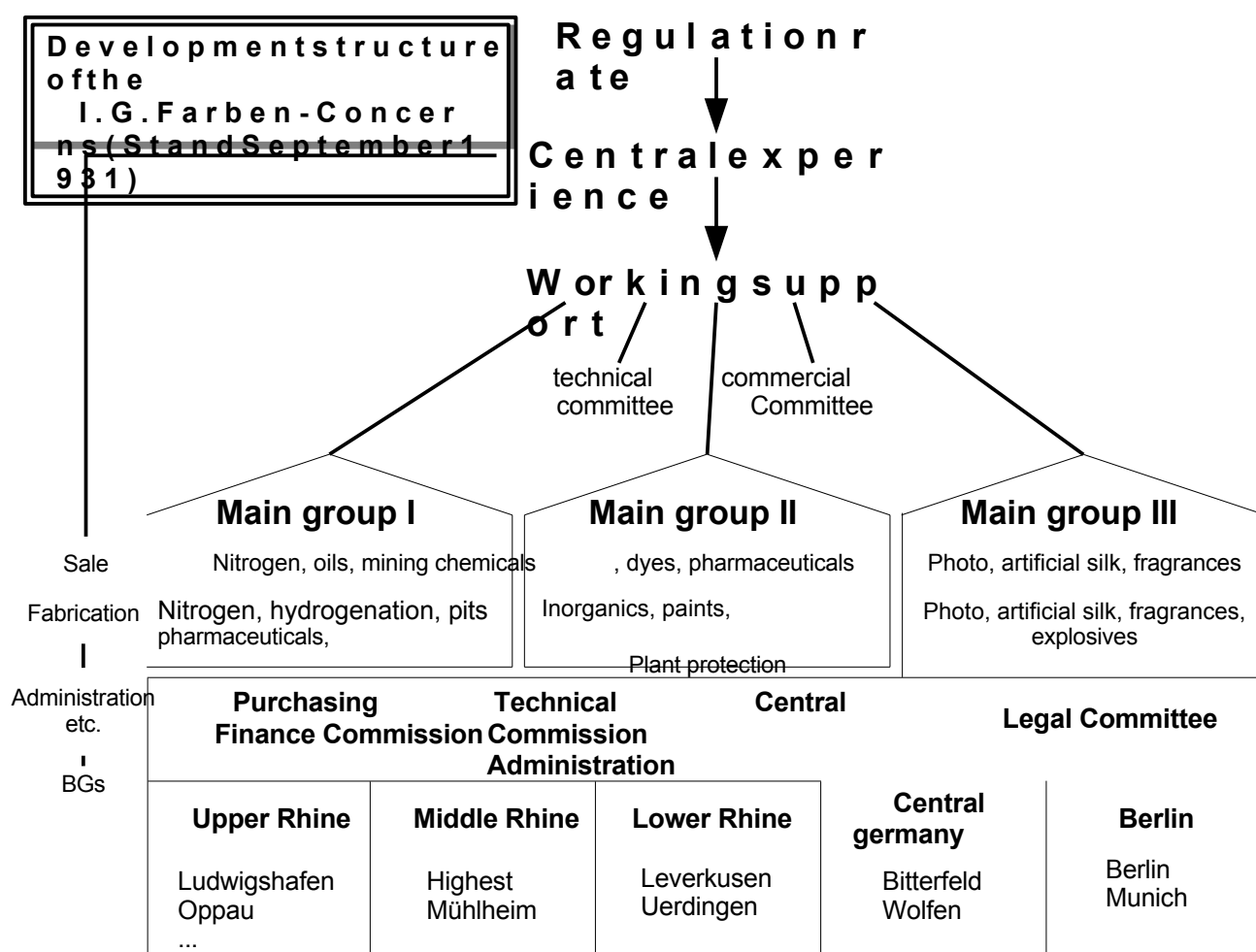
The "Technical Committee" (Tea) planned and managed the entire production of I.G. Consisting of the technical board members and the chief engineers of the divisions, it was assisted by a large number of technical and scientific commissions. It was chaired by Carl Bosch until 1933 and then by Carl Krauch until the end of the war.

Commercial matters were initially regulated by the "Commercial Commission" and later by the "Commercial Committee" (KA), which consisted of the heads of the sales communities. It was always chaired by Baron Georg von Schnitzler, who was therefore known as 'the salesman of I.G.'.

Of the numerous central offices of I.G., only the central accounting department in Frankfurt a.M., the contract center in Ludwigshafen and the press office in Berlin should be mentioned.

The Central Office for Government Contacts in the Berlin district of NW7 under Max Ilgner, which will be discussed in more detail below, also deserves special attention.

Two other *institutions* were important for I.G.'s independence. One was the company's own insurance company, Pallas GmbH, and the other was Deutsche Länderbank AG, I.G.'s principal bank.



As with every stock corporation, I.G.'s Management Board and Supervisory Board were the highest administrative bodies.

The Executive Board consisted of a total of 83 members from the founding companies. A working committee (AA) with 27 members was formed from this group, which effectively took over the function of the board. It was chaired by Carl Bosch. However, as the AA was still too large to work effectively, the Central Committee (ZA) was formed in 1930. In addition to Bosch, two heads of BGs and two heads of sales associations were members of this committee, and Carl Duisberg also had an advisory vote as Chairman of the Supervisory Board.

The Supervisory Board consisted of 50 members, with an Administrative Board of 11 members chaired by Duisberg. After Duisberg's death in 1935, Bosch moved from the Executive Board to the Board of Directors and after Bosch's death in 1940, Krauch took over as Chairman. From 1935, the Chairman of the Board of Management was Hermann Schmitz, who also sat on the Supervisory Board of Deutsche Bank and Vereinigte Stahlwerke, Germany's second-largest steelworks.

### 2.1.3. Further expansion and foreign investments

#### *The color sector*

The merging of production facilities made it possible to reduce costs considerably, for example through redundancies, so that the company was able to start recapturing lost foreign markets.

could. However, the former main customers, the USA and England, developed their own chemical paint industry, which was protected by tariffs.

However, as I.G. had a dominant market position due to its experience, cartels were formed. In 1928, the three-way cartel was formed by I.G., its Swiss subsidiary and a French group. After the inclusion of the British ICI, the quotas were as follows: 65.61% for I.G. Farben, 17.39% for the Swiss I.G. Chemie, 8.46% for ICI and 8.4% for the French CNC.

#### *High-pressure hydrogenation: nitrogen and gasoline*

By intensifying its research, I.G. expanded its product range and penetrated new areas. Only the merger provided the capital for the acquisition of the Bergius patent for the extraction of synthetic oil from coal. In addition, further research costs in this area, which belonged to Division I, were quite high. Research expenditure in the individual divisions amounted to 106.2 (Division I), 40.6 (Division II) and 7.2 (Division III) million RM in 1927. Nitrogen synthesis using the Haber-Bosch process brought BASF enormous profits, e.g. RM 320 million in 1928, even during the First World War and afterwards until 1928, when other countries were also able to produce "artificial nitrogen". Above all, the switch from coke to lignite for the production of the water gas ( $\text{CO} + \text{H}_2$ ) used in ammonia synthesis secured international competitive advantages, so that by 1933 more than a third of global production came from the I.G. However, increased international competition and constant overproduction freed up capacities in high-pressure technology. Utilization of this led to methanol synthesis ( $\text{CO} + 2\text{H}_2 \rightarrow \text{CH}_3\text{OH}$ ) and to greater efforts in gasoline synthesis. Hydrogen was the cost-determining factor for all three processes.

Efforts to synthesize petrol were guided by the idea of a shortage of crude oil and a simultaneous increase in automobilization.

On August 5, 1927, the first tank car with petrol left the Leuna plant. However, the further expansion of petrol production encountered technical difficulties, so that considerable financial expenditure became necessary. In order to be able to continue to provide these, a joint company was founded with the US "oil giant" Standard Oil for the exploitation of hydrogenation patents abroad, JASCO (20% I.G., 80% Standard). In return, I.G. received 2% of Standard's share capital, a total of 35 million US dollars. In addition, agreements were reached on the interests of the two companies, which included not encroaching on each other's domains - oil for Standard, chemicals for I.G.

#### *Expansion*

In the course of 1926, I.G. brought the entire German explosives industry under its control and concluded a joint venture agreement with DuPont and ICI for international explosives companies. In the same year, it became Germany's second-largest lignite producer by taking over Riebeck'sche Montanwerke.

### Foreign investments

The disguised foreign assets of the I.G. were sought by US authorities after the Second World War in order to use them to finance the invaded countries to compensate the invaded countries. Only then did the importance of the I.G. in the preparation and execution of a war of aggression become clear.

In 1927, I.G. owned 75 foreign companies, the number of factories controlled by I.G. abroad amounted to 500 towards the end of the war, and its assets exceeded RM 1 billion. I.G. had holdings in 93 countries. Although the majority of the companies were in Europe, 14 of them even in enemy England, I.G. was massively represented on every continent. There were 22 companies in Africa, 4 of them in Egypt, 43 in Asia, 11 of them in Japan and 7 in China, 2 in Australia and as many as 117 in Latin America, of which 16 in Brazil, 13 in Colombia, 12 in Peru and 10 in Argentina, and also in the

There were 11 companies managed by the I.G. in the USA. The 10 I.G. plants on Pacific islands are only listed here for the sake of completeness.<sup>38</sup>

*The files of the sales association for paints and chemicals in Latin America and the camouflage methods of the I.G.*

After the companies were initially founded there as subsidiaries of I.G., they later began to disguise their character in order to avoid higher taxation, which existed for German companies to protect domestic industry. In addition, disclosure requirements and other trade barriers could be avoided.<sup>39</sup>

In 1937, the camouflage measures were improved due to the threat of confiscation in the event of war. As the I.G. sales outlets were also used to spread German propaganda and to provide the



I.G. branches in the western hemisphere 1936








(O.M.G.U.S.: *Investigations against I.G. Farbenindustrie A.G.* - Ed. Hans Magnus Enzensberger; Nördlingen : Verlag Franz Greno, 1986 (Special volume of the Other Library) - ISBN: 3-891-900-198)

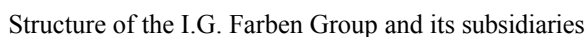
[38] O.M.G.U.S.: *Ermittlungen gegen die I.G. Farbenindustrie A.G.* - Ed. Hans Magnus Enzensberger; Nördlingen : Verlag Franz Greno, 1986 (Special volume of the Other Library) - ISBN: 3-891-900-198, p. 270ff.

[39] O.M.G.U.S.: *Ermittlungen gegen die I.G. Farbenindustrie A.G.* - Ed. Hans Magnus Enzensberger; Nördlingen : Verlag Franz Greno, 1986 (Special volume of the Other Library) - ISBN: 3-891-900-198, p. 270ff.

Since the Nazis also provided information about the political and economic conditions of the respective countries, they can be regarded as excellently disguised espionage organizations. Instead of German company representatives, these companies were managed by straw men from the USA, from Latin America itself or from neutral European countries. Although the shares were sold to these people, the I.G. had the right to buy them back and often also granted the loans necessary for the purchase. Despite the effective camouflage, shares in the assets of the companies were also set aside, albeit often to support German government agencies with the foreign currency. There were also secret accounts for the respective companies.

Legend for the graphic on the opposite page:

	in der I.G. Farbenindustrie aufgegangene Firmen	<b>N</b>	Stickstofferzeugung	<b>Br</b>	Braunkohle
	Besitz o. Mehrheitsbeteiligung	<b>F</b>	Farbstoffe	<b>Ö</b>	Erdöl
	Sonstige Beteiligung	<b>+</b>	Pharmazeutika u. Schädlingsmittel	<b>E</b>	Sprengstoffe
	Interessengemeinschaft	<b>Ph</b>	Photograph. Erzeug- nisse u. Textilien		Bank u. Handel
	Pachtbetrieb	<b>An</b>	Anorgan. Produkte u. organ. Zwischenmittel		Holdinggesellschaft
		<b>B</b>	Bergwerk		Landwirtschaft
					Sonstige Unternehmen



## 2.2. The I.G. and its influence on the politics of the Weimar Republic<sup>40</sup>

### 2.2.1. General political and economic framework conditions and objectives of the I.G.



The influence of industry: Duisberg and Krupp  
(DUISBERG, CARL: *My memoirs*. Leipzig : Philipp Reclam jun., 1933, p. 180a.)

The fact that the merger was approved in 1925 despite existing antitrust regulation laws already shows that the I.G. was a political force to be reckoned with. The then Foreign Minister Stresemann praised it in 1927 with the words "*What trump cards do I have to play apart from you, the I.G., and the coal people?*". The I.G. was indeed a political asset of the government, as it held a dominant position in many international cartels. As it thus helped to support the government's goals, it was only logical that the I.G. should have a strong influence on its policies.

had.

As Germany had to bear high reparation costs, it was reliant on its economy regaining international competitiveness. However, as more and more countries began to protect their own industry with protective tariffs, they were forced to produce far more cheaply than their foreign competitors. These efforts led to a strong rationalization movement. The following demands were made of the state: "*The state's coercive influence on wage and working conditions must be eliminated. Reduction of public expenditure and taxes ...*"<sup>41</sup>

Foreign countries also demanded a policy of austerity from Germany; a statement by a reparations agent reads: "*In my opinion, we must aim to ensure that the Reich government is given greater control (...) over state and municipal finances in an emergency law; if this is rejected, the Reichstag must be dissolved and a*

[40] SCHNECKENBURGER, ARTHUR: *The history of the I.G. Farben Group; the significance and role of a major company*. Cologne : Pahl-Rugenstein, 1988 - ISBN 3-7609-5242-9, pp. 45-54.

TAMMEN, HELMUTH: *The I.G. Farbenindustrie Aktiengesellschaft (1925-1933); a chemical company in the Weimar Republic*. Berlin : Helmuth Tammén, 1978, pp. 145-215.

[41] RDI memorandum, December 1925. quoted from: TAMMEN, HELMUTH: *Die I.G. Farbenindustrie Aktiengesellschaft (1925-1933); ein Chemiekonzern in der Weimarer Republik*. Berlin : Helmuth Tammén, 1978, p. 187.

<sup>42</sup> This anti-democratic attitude was also prevalent among industry representatives, who called for a "strong state" that would take unpopular steps such as wage cuts regardless of majorities and hold down the protesting workers.

The goals of the I.G. were also wage cuts, a ban on strikes and an extension of working hours. However, unlike broad economic circles, it did not want these to be implemented by law, but instead aimed for a gradual development so as not to radicalize the workforce even more. This approach is characterized by the catchphrase "Werksgemeinschaftsgedanke" (the idea of a joint factory). For example, an article by the Association for the Protection of the Interests of the Chemical Industry (see below) stated that no measures of brute force (e.g. police action against strikers) should be taken, but that the trade unions should work towards a mental change.

### *Social policy*

The company sought to secure labor peace through its own social policy, which proved to be extremely effective. While Leuna workers were also involved in the Central German uprising in <sup>1921</sup><sup>43</sup>, there were only 24 strikes and one lockout in the entire chemical industry between 1926 and 1929, each of which affected fewer than 100 workers.<sup>44</sup>

There were various reasons why the I.G. was less affected by strikes than the coal and steel industry. On the one hand, thanks to its good business situation, it was relatively easy for the I.G. to satisfy workers' material demands through non-tariff bonuses.<sup>45</sup> Moreover, in the capital-intensive chemical industry, wage costs accounted for only 20-25% of total production costs, so there was greater scope for wage negotiations.<sup>46</sup>

The employment structure of the I.G. also contributed to de-radicalization. On the one hand, it had the highest proportion of white-collar workers in the industry in 1929, at more than 20%, and on the other hand (unlike in the metal industry, for example) there were no typical skilled chemical workers with long training periods (such as lathe operators, etc.). A distinction was only made between four categories of workers: the "cheap" unskilled workers, the semi-skilled workers, the female workers and the skilled workers, i.e. craftsmen who mainly had repair and maintenance tasks.<sup>47</sup> However, the high fluctuation, which amounted to 72,000 workers from January 1, 1926 to October 1, 1929, i.e. an almost complete change in the workforce, demonstrates the poor working atmosphere in the I.G. plants.

When the economic crisis led to wage cuts and redundancies, and Boul

After the idea of reducing working hours, which had been raised due to mass unemployment, came to nothing, the number of strikes increased again vehemently and calls for state coercive measures to discipline the workforce became loud again in I.G. circles.

[42] TAMMEN, HELMUTH: *The I.G. Farbenindustrie Aktiengesellschaft (1925-1933); a chemical company in the Weimar Republic*. Berlin : Helmuth Tammen, 1978, p. 188.

[43] TAMMEN, HELMUTH: *The I.G. Farbenindustrie Aktiengesellschaft (1925-1933); a chemical company in the Weimar Republic*. Berlin : Helmuth Tammen, 1978, p. 192.

[44] TAMMEN, HELMUTH: *The I.G. Farbenindustrie Aktiengesellschaft (1925-1933); a chemical company in the Weimar Republic*. Berlin : Helmuth Tammen, 1978, p. 193.

[45] TAMMEN, HELMUTH: *The I.G. Farbenindustrie Aktiengesellschaft (1925-1933); a chemical company in the Weimar Republic*. Berlin : Helmuth Tammen, 1978, p. 193.

[46] TAMMEN, HELMUTH: *The I.G. Farbenindustrie Aktiengesellschaft (1925-1933); a chemical company in the Weimar Republic*. Berlin : Helmuth Tammen, 1978, p. 195f.

[47] TAMMEN, HELMUTH: *The I.G. Farbenindustrie Aktiengesellschaft (1925-1933); a chemical company in the Weimar Republic*. Berlin : Helmuth Tammen, 1978, p. 195.



### 2.2.2. Organs of influence

It was possible to establish people from the company's own ranks in parliament, in political parties and even in ministerial office in order to protect the company's interests. I.G. had its liaisons in all the important bourgeois parties. Together they formed the so-called Kalle Circle, consisting of the following members of parliament: Wilhelm Kalle (member of the Board of Directors of I.G.) and Paul Moldenhauer (member of the Supervisory Board) for the Deutsche Volkspartei, Hermann Hummel (member of the Supervisory Board) for the Deutsche Demokratische Partei, Clemens Jammer (member of the Supervisory Board) for the Zentrum and Haßbacher (director of Rheinische Stahlwerke AG, which was controlled by I.G.) for the Deutsch-Nationale Volkspartei.

Moreover, Moldenhauer was Finance Minister for several months from December 1929 and the I.G.'s agricultural expert, Herrmann Warmbold, was even Minister of Economics for a longer period from October 1931. However, only the "second set" of the I.G. leadership was available for government offices. Hermann Schmitz, who was Brüning's financial and economic advisor, did not want to take over a ministry despite repeated requests. The fact that the Reich Finance Minister H. Dietrich was given the lucrative post of deputy managing director of the "Association for the Protection of the Interests of the Chemical Industry" after his resignation from office shows how I.G.-friendly his administration was.

The "Duisberg system", i.e. the influence exerted by a few leading I.G. representatives in the Kalle circle, was replaced towards the end of the global economic crisis by the "Ilgner system", i.e. by a central office in Berlin for the coordination of influence. I.G. Berlin NW 7 was responsible for the directorate, administration and legal departments as well as the office of the commercial committee, the press office, the important central financial administration (Zefi) and the economic policy (Wipo) and economics (Vowi) departments, which are explained in more detail here.

The Vowi conducted sales research; to this end, it compiled very broad-based statistics that covered all national and international economic processes. Its exposés were highly valued in various ministries, e.g. the economic department of the Foreign Office did not rely on the Reich Statistical Office but on the Vowi.<sup>48</sup> The data it provided alone made it possible to influence political decisions. Under the Nazis, this department provided spying services all over the world.

More important in this context is the Wipo, which was set up from September 1932 under Dr. Gattineau as a direct coordination office for all contacts with Berlin authorities. It reported directly to the Central Committee of the I.G., prepared meetings between I.G. representatives and government agencies and influenced legislation. During the 3rd Reich, it received the official management orders.

In addition to these internal company bodies, the I.G. was actively involved in associations to represent and assert its interests vis-à-vis government agencies. I.G. clearly dominated the Association for the Protection of the Interests of the Chemical Industry ('Chemieverein'). Duisberg, who also coordinated other political activities, was chairman from 1919 to 1924 and Bosch from 1927. Although the influential managing chairman did not come from the I.G., he received most of his salary from it, just as the I.G. made the 'Chemieverein' an agile interest group with its membership fee.

The 'Chemieverein' was affiliated to the Reichsverband der deutschen Industrie (RDI), whose managing presidential members always came from the top ministerial bureaucracy, thus establishing good contacts with the government. It had a large

[48] TAMMEN, HELMUTH: *The I.G. Farbenindustrie Aktiengesellschaft (1925-1933); a chemical company in the Weimar Republic*. Berlin : Helmuth Tammen, 1978, p. 159.

staff and a large number of departments and special committees at his disposal. He also had a secret industrial fund to finance political parties. Since its foundation in 1919, the influence of I.G. had grown steadily, so that Duisberg was elected RDI chairman in 1924 and held this office until 1931, when Krupp took over. Duisberg himself praised the RDI, saying that its versatility and unity was unmatched by any other German trade association.<sup>49</sup> He introduced the 'parliamentary advisory council', which included all RDI members with a seat in parliament as well as members of the Reichstag with close ties to industry. The RDI memorandum 'Aufstieg oder Niedergang' (Rise or Fall) of 2 December 1929 stated: *"If we do not succeed in changing economic, financial and social policy, then the decline of the German economy is sealed."*<sup>50</sup> Despite diverging interests, the RDI was united on general economic and social policy issues, as the trade unions and the workers' parties represented the common enemy.

In summary, there were three levels at which the I.G. exerted influence. Firstly, via its own departments and members of parliament from the top management, then via the 'Chemical Association' and finally via the RDI. Direct influence on the government and parliament as well as the manipulation of public opinion took place at all levels. Personal relationships with state representatives also often proved helpful.

### 2.2.3. Influence usnahme

#### *Press policy of the I.G.*

In 1926, a central press office was founded in Berlin, which established personal contacts with domestic and foreign editorial offices. In contrast, unlike representatives of heavy industry (Hugenberg), I.G. did not have its own newspaper. However, when the Frankfurter Zeitung (FZ), which belonged to the world press, got into financial difficulties, the I.G. granted subsidies without determining the editorial line.

When the I.G. attempted to intervene because of a series of articles about white-collar workers sinking into the proletariat, it became apparent that Kalle-Kreis member Hummel, who was a member of the FC supervisory board, did not want to intervene openly in order not to jeopardize his position, where he could exert influence in favour of the I.G.. During the global economic crisis, however, I.G.'s ability to manipulate reporting increased. In 1932, the I.G. came into contact with heavy industry circles in order to create a newspaper association from the FC, among other things, which would influence daily opinion in view of the expected domestic political upheavals.

#### *Party donations*

Duisberg's statement at the founding meeting of the 'Staatspolitische Vereinigung'<sup>51</sup> in Berlin in 1926 is significant: *"I have given up trying to influence the parties with reason! All difficulties can be overcome through systematic influence."*<sup>52</sup> In this sense

[49] TAMMEN, HELMUTH: *The I.G. Farbenindustrie Aktiengesellschaft (1925-1933); a chemical company in the Weimar Republic*. Berlin : Helmuth Tammen, 1978, p. 166.

[50] SCHNECKENBURGER, ARTHUR: *The history of the I.G. Farben Group; the significance and role of a major company*. Cologne : Pahl-Rugenstein, 1988 - ISBN 3-7609-5242-9, p. 50.

[51] SCHNECKENBURGER, ARTHUR: *The history of the I.G. Farben Group; the significance and role of a major company*. Cologne : Pahl-Rugenstein, 1988 - ISBN 3-7609-5242-9, p. 46.

the DDP received RM 30,000 a year, the Center RM 90,000 and the DVP as much as RM 200,000. Similar sums were donated for Reichstag and state parliament elections.<sup>53</sup>

### *Some examples of I.G. influence*

Now that we have become acquainted with the I.G.'s objectives, the wider business community and the bodies it had at its disposal to implement them, we will now look at some specific examples of how the I.G. was able to protect its interests.

The Brüning government was keen to support the economy through low taxes and wage cuts so that as many reparations payments as possible could be made in order to convince the creditor countries in the long term that the debts were too high and that a revision of the Treaty of Versailles was necessary. The I.G. shared this government course, which is why board member Moldenhauer took over the Ministry of Finance.

As the state also had to reduce its expenditure in order to keep taxes low, numerous austerity measures were taken. In order to fill the coffers emptied by the rising number of unemployed, Moldenhauer voted for an increase in the unemployment insurance rate. However, the Federation of German Employers' Associations threatened to withdraw, and the RDI also criticized this financial and tax programme. Moldenhauer then called its managing director and told him that it was impossible to implement the wishes of the business community 100% and that he believed he had succeeded in doing so 80% of the time. He mentioned to Duisberg that he felt left in the lurch.<sup>54</sup> Ultimately, this brusque approach by the business associations led to the break-up of the grand coalition. Brüning now governed by bypassing the Reichstag with emergency decrees, which he had approved by Reich President Hindenburg.

This presidential cabinet met with the approval of the business community. At a meeting of the RDI board on November 26, 1930, Kalle said that *"this (...) present government is (...) a government with dictatorial powers (...). Moreover, it has the will to oppose state socialism (...). Therefore, in my opinion, if we mean well with ourselves, we have no other way than this to support this cabinet.*

<sup>1955</sup>

As the Young Plan, which was intended to guarantee the continued payment of German reparations, was accepted - the executive member of the RDI presidency was one of the signatories - the economy was forced to produce even more cheaply in order to increase exports. The government therefore demanded further wage cuts. However, in addition to his responsibility to Hindenburg, Brüning relied above all on the Center and Social Democrats, so he was also committed to the interests of the workers. Due to their poor business situation, heavy industry circles in particular demanded a departure from Brüning's long-term revision policy.

When the 'Black Friday' led to short-term US loans being reclaimed by Germany, the banking crisis arose in the summer of 1931, culminating in the collapse of the Darmstädter und Nationalbank (Danat). Broad industrial circles turned their backs on Brüning and established contacts with the NSDAP, but the I.G.

[52] SCHNECKENBURGER, ARTHUR: *The history of the I.G. Farben Group; the significance and role of a major company*. Cologne : Pahl-Rugenstein, 1988 - ISBN 3-7609-5242-9, p. 46.

[53] SCHNECKENBURGER, ARTHUR: *The history of the I.G. Farben Group; the significance and role of a major company*. Cologne : Pahl-Rugenstein, 1988 - ISBN 3-7609-5242-9, p. 47.

[54] SCHNECKENBURGER, ARTHUR: *The history of the I.G. Farben Group; the significance and role of a major company*. Cologne : Pahl-Rugenstein, 1988 - ISBN 3-7609-5242-9, p. 201f.

[55] TAMMEN, HELMUTH: *The I.G. Farbenindustrie Aktiengesellschaft (1925-1933); a chemical company in the Weimar Republic*. Berlin : Helmuth Tammén, 1978, p. 172f.

continued to support the government, which acted in its interests. On December 8, 1931, the 4th Emergency Ordinance was issued, which reduced wage levels by 10%.

The I.G.'s commitment to the government was clearly demonstrated in the election of the Reich President in 1932. Brüning spoke out in favor of Hindenburg in order to continue governing in the old manner, and Duisberg took over the chairmanship of the Board of Trustees of the Hindenburg Committees. His task was to raise funds and supervise their use. The I.G. donated almost a third of the total sum (100,000RM), while the representatives of Rhenish-Westphalian heavy industry did not provide any funds. When a second ballot between Hindenburg and Hitler became necessary, I.G. even provided 40% of the donations, although it halved its contribution.<sup>56</sup>

In summary, it can be said that there was a 'harmony of interests' between the Brüning government and the I.G.. Because of its exports, the I.G. was dependent on international events and Brüning was committed to the Allied victorious powers. Moreover, the I.G. was in such a good economic position that it was able to support the government's long-term course of action and secure great influence. Because of its omnipotence under Brüning, it was already referred to as 'I.G. Germany'.<sup>57</sup>

However, within the I.G., the 'Bosch faction' called for a more active government economic policy, as domestic demand fell sharply during the global economic crisis due to the government's austerity policy. As early as 1931, Bosch demanded a job creation program in the Chemical Association, which was intended to promote the construction of freeways, among other things. In 1932, there were calls for a 'great German ten-year plan'.<sup>58</sup> A housing construction program for workers' housing estates was to be launched to stimulate the economy and improve social hygiene. The plan struck a national note in order to strengthen the population's willingness to make sacrifices and to achieve a total mobilization of the entire nation, which consisted, for example, of compulsory labour service. The Wagemann Plan was intended to finance this program. Prof. Wagemann was the founder of the Institute for Economic Research, President of the Reich Statistical Office and a good friend of H. Schmitz. The plan represented a monetary and credit reform that was intended to increase the liquidity of banks and entrepreneurs. His key message was that the economy would pick up from the spring of 1933. In order to stabilize this upswing, tax cuts would be necessary in anticipation of future economic improvements.

Rejected by heavy industry as inflationary, this plan was rejected by the cabinet but de facto implemented by the Papen government. The tax vouchers it introduced, which enabled companies to retain their taxes as loans at 4% interest, the new recruitment bonuses and a relaxation of the obligation to pay collectively agreed wages were enthusiastically received by entrepreneurs. This achieved their goal of freeing them from 'tariff wage and tax shackles'<sup>59</sup> while preserving entrepreneurial freedom of disposition.

When, under Schleicher, there was to be a transition to planned economic management of the Reich with increased state demand, the RDI spoke out against it, and the so-called Dereke program was not implemented due to the imminent change of government.

[56] TAMMEN, HELMUTH: *The I.G. Farbenindustrie Aktiengesellschaft (1925-1933); a chemical company in the Weimar Republic*. Berlin : Helmuth Tammen, 1978, p. 180.

[57] TAMMEN, HELMUTH: *The I.G. Farbenindustrie Aktiengesellschaft (1925-1933); a chemical company in the Weimar Republic*. Berlin : Helmuth Tammen, 1978, p. 185.

[58] TAMMEN, HELMUTH: *The I.G. Farbenindustrie Aktiengesellschaft (1925-1933); a chemical company in the Weimar Republic*. Berlin : Helmuth Tammen, 1978, p. 206.

[59] TAMMEN, HELMUTH: *The I.G. Farbenindustrie Aktiengesellschaft (1925-1933); a chemical company in the Weimar Republic*. Berlin : Helmuth Tammen, 1978, p. 213.

If one summarizes the economic policy activities of the I.G., it becomes clear that the I.G. played a decisive role in the implementation of economic policy ideas in all phases of the global economic crisis. Initially a mainstay of the Brüning government, after the economic crisis worsened in the course of the effects of the banking crisis in 1931, it became a pronounced advocate of an active economic policy and increasingly opposed Brüning's line of deflationary policy, with a certain split also emerging within the I.G.. It is revealing that all the main impetus for a reorientation of economic policy came from representatives of Division I (nitrogen/petrol). In addition to I.G. Chairman Bosch, these included above all Finance Director Hermann Schmitz, I.G. agricultural expert Warmbold and Ilgner with his BerlinNW7 apparatus. Only from this group were there representatives in Brüning's circle of advisors, from whose circle, with significant I.G. participation, the Wagemann Plan emerged, which initially failed but was decisive in the overall considerations for a reoriented economic policy.<sup>60</sup> As a representative of these I.G. interests, Warmbold, as Minister of Economic Affairs, pursued a change in deflation policy from autumn 1931 and it is likely that the main instrument of the Papen course - the tax vouchers - originated from his suggestions. In addition to the company's own research center 'Vowi', Wagemann and probably also Lauterbach, as a senior government councillor in the Ministry of Economics at the time, were certainly involved in this work. In contrast, Duisberg, as a representative of Division II (dyes/pharmaceuticals), maintained his reserved stance against a reorientation of economic policy.

## 2.3. Effects of the global economic crisis on I.G.<sup>61</sup>

The global economic crisis was an enormous burden, even for a company as large and with such a broad product range as I.G.. As its effects had a significant influence on the corporate strategy that promoted the end of the Weimar Republic, it is important to take a closer look at this period.

### 2.3.1. General production situation and employment situation at I.G.

As early as 1928, I.G.'s turnover stagnated at 1.4 billion Reichsmarks. For this reason, from July 1929, only replacement investments and almost no expansion investments were made (Tea meeting of July 11, 1929). The slump in sales then occurred mainly from 1931 onwards.

	1929	1931
Total sales	RM 1.42 billion	RM1.01 billion <sup>62</sup>
Retained earnings	RM 110 million	51 million <sup>RM63</sup>
Expansion investments	RM 149 million	34 million <sup>RM64</sup>
Employees	97.700	68. <sup>00065</sup>

Despite the banking crisis of 1931, in which the foreign capital markets were also closed, I.G. remained liquid thanks to Schmitz's financial policy and was even able to reduce its debts

[60] TAMMEN, HELMUTH: *The I.G. Farbenindustrie Aktiengesellschaft (1925-1933); a chemical company in the Weimar Republic*. Berlin : Helmuth Tammen, 1978, p. 214.

[61] TAMMEN, HELMUTH: *The I.G. Farbenindustrie Aktiengesellschaft (1925-1933); a chemical company in the Weimar Republic*. Berlin : Helmuth Tammen, 1978, pp. 72-144.

(liabilities of RM 332 million in 1928, RM 161 million in 1932).<sup>66</sup> The reason for this was the ownership of the house bank on the one hand, and rigorous savings and reorganization measures on the other. Research and development expenditure was reduced by 70-80% and in 1929 an organizational department was formed for rationalization.<sup>67</sup>

The number of employees fell by 46% from a high of 117,000 in mid-1929 to a low of 63,000 at the end of 1932, although the I.G. tried to avoid redundancies with short-time working and salary cuts. In the redundancies, white-collar workers and especially academics were spared, in contrast to old and sick workers, which led to a poorer working atmosphere.

### 2.3.2. Situation in the divisions

The nitrogen, petrol (only later), synthetic dyes, pharmaceuticals and heavy chemicals divisions were of decisive importance here. Division III remained insignificant (e.g. only 11% of capital was invested here in 1932).

#### *Division I*

The main products of this division were gasoline and nitrogen. However, only the nitrogen business was decisive for profitability, as petrol production only contributed a small proportion of turnover. Due to the international agricultural crisis, the protectionism of the respective governments and a general overproduction, exports became increasingly almost impossible. In 1928, foreign nitrogen sales amounted to RM 241 million and 30% of total I.G. exports, in 1934 only RM 32 million and 7.7% of exports.<sup>68</sup>

The I.G. therefore produced almost exclusively for the domestic market, even though it tried to counteract the decline in exports by forming (inter)national cartels. In 1929, for example, I.G. (Germany) concluded an agreement with I.C.I. (England) and Norsk Hydro (Norway) on the

- [62] BWA 4/C6 and GStA No. 413 Basic information defense Doc. No. 8; Profit determination: I.G. Farbenindustrie Aktiengesellschaft, Frankfurt a. M. 1934, p. 74. quoted from: TAMMEN, HELMUTH: *Die I.G. Farbenindustrie Aktiengesellschaft (1925-1933); ein Chemiekonzern in der Weimarer Republik*. Berlin : Helmuth Tammen, 1978.
- [63] BWA 4/C6 and GStA No. 413 Basic information defense Doc. No. 8; Profit determination: I.G. Farbenindustrie Aktiengesellschaft, Frankfurt a. M. 1934. p. 74. quoted from: TAMMEN, HELMUTH: *Die I.G. Farbenindustrie Aktiengesellschaft (1925-1933); ein Chemiekonzern in der Weimarer Republik*. Berlin : Helmuth Tammen, 1978.
- [64] Hö 775 Kredit-Übersicht v. 9.9.38. quoted from: TAMMEN, HELMUTH: *Die I.G. Farbenindustrie Aktiengesellschaft (1925-1933); ein Chemiekonzern in der Weimarer Republik*. Berlin : Helmuth Tammen, 1978.
- [65] BWA 4/C6 and GStA No. 413 Basic information defense Doc. No. 8; Profit determination: I.G. Farbenindustrie Aktiengesellschaft, Frankfurt a. M. 1934, p. 74. quoted from: TAMMEN, HELMUTH: *Die I.G. Farbenindustrie Aktiengesellschaft (1925-1933); ein Chemiekonzern in der Weimarer Republik*. Berlin : Helmuth Tammen, 1978.
- [66] see I.G. Farbenindustrie Aktiengesellschaft: Annual Report 1939, p. 70f. quoted from: TAMMEN, HELMUTH: *Die I.G. Farbenindustrie Aktiengesellschaft (1925-1933); ein Chemiekonzern in der Weimarer Republik*. Berlin : Helmuth Tammen, 1978.
- [67] BWA 13/15 Vol. 5 Tea v. 27.2.30, p. 3. quoted from: TAMMEN, HELMUTH: *The I.G. Farbenindustrie Aktiengesellschaft (1925-1933); a chemical company in the Weimar Republic*. Berlin : Helmuth Tammen, 1978.

price stabilization by means of a production quota system in which the cartel controlled 65% of global production.<sup>69</sup> However, this cartel - like the others - also fell out after a year over the issue of quota redistribution. The dependence of the allocated production quota on capacity prevented the closure of unprofitable plants.

In contrast, although petrol production only accounted for a small proportion of Division I's turnover, it involved huge investment and research expenditure. The main incentive for synthetic petrol synthesis was the forecast that global oil reserves would be exhausted in a few years. The aim was therefore to undercut the world market price of 20 Pf/l<sup>70</sup>. The discovery of new oil deposits, improved processing of crude oil using the cracking process and I.G. hydrogenation as well as price wars for the German market caused the price to fall to 5 Pf/l in the free port of Hamburg by 1933. In contrast, the price for the consumer in Berlin, for example, rose to 35 Pf/l due to protective tariffs.

In the years from 1928 to 1931, efforts to stabilize prices were in vain. Agreements alternated with fierce price wars. Attempts were also made to introduce a standardized fuel to reduce distribution costs, which was to consist of 70% petrol, 10% benzene, 10% ethanol and 10% methanol. However, the mining industry was against this standardized fuel, as too little benzene was taken from it. Although no result was achieved, it shows how far ideas and plans were in place to reduce the price of petrol. In the end, the losses even led to a discussion as to whether petrol production should not be abandoned altogether, as there were no signs of any improvement in the near future during the global economic crisis. Duisberg (Division II) advocated the closure of the hydrogenation plants. However, Bosch, Schmitz and Krauch prevailed against him, as in contrast to the exhausted Division II, Division I with its thermal processes, 'petrochemicals' and catalyst technology was the area with a promising future. In addition, the fixed costs of the joint use of the hydrogen and energy production plants would then have had to be borne exclusively by nitrogen production, which would have led to greater losses.

### *Division II*

In contrast to Division I, Division II developed reasonably favorably despite the crisis, so that the share of total sales accounted for by paints/pharmaceuticals rose from 36% in 1928 to 45% by 1931, although absolute sales fell from RM 511 million to RM 451 million.<sup>71</sup> Thus, in exports, the commercial and technical superiority was able to withstand the high protective tariffs with difficulty.

- [68] GStA No. 413 Basic information defense Doc. No. 8, p. 19; figures in percent according to own calculation. quoted from: TAMMEN, HELMUTH: *Die I.G. Farbenindustrie Aktiengesellschaft (1925-1933); ein Chemiekonzern in der Weimarer Republik*. Berlin : Helmuth Tammen, 1978.
- [69] RÖTGER, H.: *The importance of BASF for agriculture*. unpublished manuscript, p. 31. quoted from: TAMMEN, HELMUTH: *Die I.G. Farbenindustrie Aktiengesellschaft (1925-1933); ein Chemiekonzern in der Weimarer Republik*. Berlin : Helmuth Tammen, 1978.
- [70] BOLLMANN: *The German fuel market*. p. 48. quoted from: TAMMEN, HELMUTH: *Die I.G. Farbenindustrie Aktiengesellschaft (1925-1933); ein Chemiekonzern in der Weimarer Republik*. Berlin : Helmuth Tammen, 1978.
- [71] GStA No. 413 Basic information defense Doc. No. 6 List No. 3a and 3c; percentages according to own calculation. cited from: TAMMEN, HELMUTH: *Die I.G. Farbenindustrie Aktiengesellschaft (1925-1933); ein Chemiekonzern in der Weimarer Republik*. Berlin : Helmuth Tammen, 1978.

### 2.3.3. Assessment of the I.G.- economic situation

The global economic crisis slowed down I.G.'s expansion and it had to content itself with defending its position. At first glance, I.G. makes a relatively solid impression in view of the severity of the crisis, as no losses were incurred in any of the crisis years, even though total sales fell and the balance sheet profit dropped from RM 110 million (1929) to RM 49.5 million (1932)<sup>72</sup>. However, a closer look at the sales performance of the individual divisions paints a different picture.

Division II (paints and pharmaceuticals) was in fact quite resilient at home and abroad. There was even an upward trend in pharmaceuticals, while paint sales were embroiled in an increasingly fierce export battle. Here, the cartel was able to hold its own to some extent against the international efforts to build up and expand its own paint industry.

However, the situation in Division I (petrol and nitrogen) was much worse and ultimately decisive. Due to cheap crude oil competition, petrol sales were only maintained by the German government's support campaign. In nitrogen production, neither the world's largest production by a single company, nor favorable cost prices and a wide range of varieties could prevent the decline in exports due to global overproduction and protectionism. The German sales market was by no means spared from the global economic crisis, even though it became the mainstay. Furthermore, both products were linked by the shared use of primary facilities, had capital-intensive production facilities and an unfavorable ratio of fixed to circulating costs. As a result, this area, which not only contributed significantly to total sales from the First World War onwards, but also created the scientific and technical possibilities to compensate for the narrow raw material base through catalytic high-pressure hydrogenation, had lost its economic prospects. Buna research was almost completely discontinued and the same was under discussion for gasoline. This disastrous development outweighed the figures. The only way out was seen by the company management as a form of government that protected domestic sales and was ultimately helped into power, as Carl Duisberg had already wished in the summer of 1931: *"The German people are constantly calling for a leader who will free them from their unbearable situation. If a man comes along who has proven that he has no inhibitions and who is intent on using and realizing the spirit of the front generation in peaceful liberation work, then this man must be followed without fail."*<sup>73</sup>

[72] BWA 4/C6 and GStA No. 413 Basic information defense Doc. No. 8; Profit determination: I.G. Farbenindustrie Aktiengesellschaft, Frankfurt a. M. 1934, p. 74. quoted from: TAMMEN, HELMUTH: *Die I.G. Farbenindustrie Aktiengesellschaft (1925-1933); ein Chemiekonzern in der Weimarer Republik*. Berlin : Helmuth Tammen, 1978.

[73] on the occasion of the 100th anniversary of the Düsseldorf Chamber of Industry and Commerce on June 23, 1931 in Benrath, In: DUISBERG, C.: *Abhandlungen, Vorträge und Reden aus den Jahren 1922-1933*. Berlin 1933. quoted from: TAMMEN, HELMUTH: *Die I.G. Farbenindustrie Aktiengesellschaft (1925-1933); ein Chemiekonzern in der Weimarer Republik*. Berlin : Helmuth Tammen, 1978, p. 292.



### 2.3.4. Rubber <sup>synthesis74</sup>

In the description of the events that would later lead to the Petrol Pact (see Chapter 3), the 'legs' of the cars have so far been neglected. However, since rubber is indispensable in 'modern' war (insofar as mass murder can be contemporary), this aspect should be dealt with here in advance, so to speak.



The Wehrmacht tests Buna tires

(O.M.G.U.S.: *Investigations against the I.G. Farbenindustrie A.G.* - Ed. Hans Magnus Enzensberger; Nördlingen : Verlag Franz Greno, 1986 (Special volume of the Other Library) - ISBN: 3-891-900-198)

This clearly shows that wars are not pursued by certain economic sectors for the sake of their 'noble' goals (extermination of sub-humans...) but because of the associated increase in sales.

The production of synthetic rubber was the largest area of research in Leverkusen in 1910, after efforts had only begun three years earlier. However, as natural rubber prices fell again, research was discontinued in 1913.

Thanks to the First World War, for which protective masks made of rubber were needed against the 'typical German' weapon poison gas, and this was therefore cultivated, i.e. collected and rationed, rubber synthesis was taken up again.

In 1915, the company succeeded in producing a hard rubber that could be used in the electrical industry. The state granted loans, paid subsidies and assumed purchase guarantees for rubber production (1916-1919). Nevertheless, it was only possible to amortize the pre-war costs, as the natural rubber was 10 times cheaper with better material properties.

After 'rubber research' had lain dormant since the end of the war, it rose again in 1926 to

as soon as the polymerization of butadiene using sodium to form Buna rubber was discovered.

However, the global economic crisis put Buna research back into a deep sleep, during which mixed polymerization was nonetheless discovered. The production phase was only resumed thanks to the National Socialists, who, in their exuberance, announced at party conferences that the tire problem had been solved, although the I.G. side still had considerable technical difficulties.

However, when the first 'plastics and elastomers' could be produced by the test plant in Schkopau in March 1937, a commercial agreement was quickly reached. Buna I was expanded to 30,000 tons per year for RM 346 million in return for state price and purchase guarantees and construction loans. The state price controls could already be dispensed with for Buna II (RM 294 million) in Hüls, as the purchase guarantees became unnecessary due to an improvement in Buna quality. By treating Buna with oxygen at high temperatures, it could finally be processed like its natural counterpart, and the tire manufacturers stopped 'bricking'.

The Buna III plant in Leverkusen, which was started in 1941 (113 million RM construction costs), never reached its capacity of 30,000 tons per year due to air raids. Nevertheless, Buna's share of the

[74] see: PLUMPE, GOTTFRIED: Industry, technical progress and the state: rubber synthesis in Germany 1906-1944/5. In: *Geschichte und Gesellschaft* 9 (1983), pp. 564-597.

to increase the total rubber requirement from 3% in 1937 to 98% by 1944 and even to supply the allies.

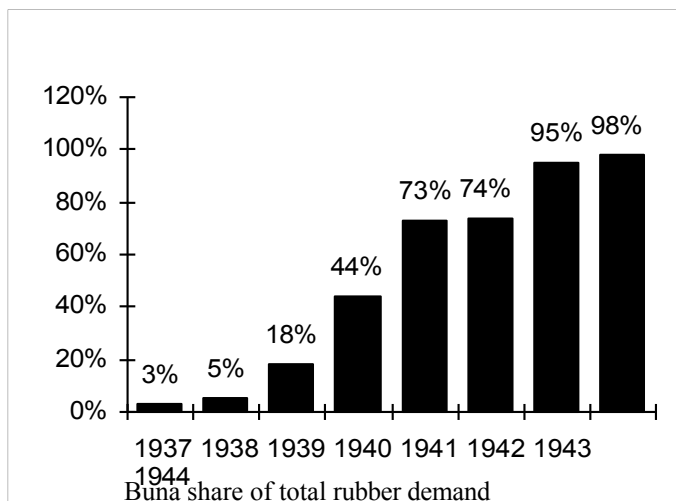
Buna IV, built from 1941 onwards, cost RM 187 million to build, although the nearby concentration camp in Auschwitz meant that labor costs, which were paid directly to the SS, could be kept low. Ultimately, extermination through labor was the sole purpose of this plant, as it was not possible to start production before the Soviets invaded.

With investments of around RM 1 billion, I.G. was thus able to produce a total of 474,700 tons of Buna (the same amount of natural rubber would have cost 1/3 of that). This 24% of I.G.'s total investment was the largest single item even before the production of synthetic oils.

The very high depreciation rates granted by the state and the fact that the loans granted (around RM 300 million) were not called in after the war reconciled I.G. to its end. Overall, there were

Thus, although 'the primacy of politics' prevailed, there was no state 'command and control economy', but the state bought the cooperation of the

industry. I.G. acted according to purely market-based criteria, which of course left no room for unprofitable values such as human dignity.



(Figures from: PLUMPE, GOTTFRIED: Industry, technical progress and the state: rubber synthesis in Germany 1906-1944/5. In: *Geschichte und Gesellschaft* 9 (1983), p. 595)





### 3. 1933-1939: I.G. Farben and the NS- state

The relationship between I.G. Farben and National Socialism is of particular importance for the history of the Third Reich. I.G. made Germany self-sufficient in materials that were previously lacking and essential to the war effort, with the express aim of preparing for a war of aggression.

*"Without I.G. Farben, especially without I.G. production in the fields of synthetic rubber, synthetic fuel and magnesium, it would have been impossible for Germany to wage war."*  
(I.G. Board member Heinrich Bütefisch, 1947 in Nuremberg)<sup>75</sup>

At the beginning of the 1930s, the NSDAP became the strongest political force in Germany, so that even in industrial circles, Hitler's possible participation in government was increasingly considered. The bourgeois parties, with the exception of the Center Party, became increasingly insignificant politically - despite their funding from industry - and only the SPD and KPD were of any particular relevance. The I.G. Farben was aware that only a fundamental change in the political sphere could bring the rebelling radical masses back under control.<sup>76</sup> Driven by their latent anti-communist and anti-working class attitude - in the sense of an organized workforce - they saw this regaining of control not least as an opportunity for economic recovery.<sup>77</sup>



Hitler and Fritz ter Meer on the cover of the I.G. factory magazine from March 1936

*"The German people are constantly calling for a leader who will free them from their unbearable situation. Now comes a man who has proven that he has no inhibitions and who is determined to use the spirit of the front generation in peaceful liberation work and to*

(O.M.G.U.S.: *Investigations against the I.G. Farbenindustrie A.G.* - Ed. Hans Magnus Enzensberger; Nördlingen : Verlag Franz Greno, 1986 (Special volume of the Other Library) - ISBN: 3-891-900-198)

*If we are to realize the dream of the future, this man must be followed without fail.* <sup>78</sup> (From Carl Duisberg's speech on the occasion of the 100th anniversary of the Düsseldorf Chamber of Industry and Commerce on June 23, 1931)

[75] RADANDT, HANS: *Case 6*. Berlin, 1970, p. 33. quoted from: KÖHLER, OTTO: ... *and today the whole world; The history of I.G. Farben and its fathers*. Rasch und Röhrig Verlag : Hamburg, Zürich 1986 - ISBN 3-89438-010-1, p. 205. and O.M.G.U.S.: *Ermittlungen gegen die I.G. Farbenindustrie A.G.* - Ed. Hans Magnus Enzensberger; Nördlingen : Verlag Franz Greno, 1986 (special volume of the Other Library) - ISBN: 3-891-900-198, S. 15.

[76] TAMMEN, HELMUTH: *I.G. Farbenindustrie Aktiengesellschaft (1925-1933); a chemical company in the Weimar Republic*. Berlin : Helmuth Tammén, 1978, p. 287f.

[77] SCHNECKENBURGER, ARTHUR: *The history of the I.G. Farben Group; the significance and role of a major company*. Cologne : Pahl-Rugenstein, 1988 - ISBN 3-7609-5242-9, p. 53.

### 3.1. Armaments research and foreign contacts - I.G. Farben and Standard Oil Development Company

The I.G.'s most ambitious undertaking was a project in which Carl Bosch was most interested, and which had decisively encouraged him to persistently pursue the merger of the I.G. companies into a single monopoly. As Germany had no significant sources of oil, it had been defeated by the British fleet during the First World War. Bosch was to repeat for oil what he had already done for ammonia: with the help of high-pressure chemistry, he was to turn Germany's coal reserves into gasoline and free Germany from its dependence on foreign oil sources.

In 1924, there were signs of an increasing need for fuel in Germany. The secret rearmament of the army was planned - against the provisions of the Treaty of Versailles. A reliable source of fuel was needed for this planned army of 63 divisions. The industrialized countries were faced with the question of whether the reserves and discovery of new oil deposits would keep pace with the growing demand. All experts predicted a rapid depletion of all oil reserves. To drive his project forward, Bosch wanted to acquire the rights to the Bergius process for high-pressure conversion of coal into oil on a laboratory scale. All previous attempts to use this process on an industrial scale had failed. Only the combined financial strength of I.G. could sustain a project of this magnitude. Bosch therefore insisted that his personal financial advisor Hermann Schmitz be appointed as I.G.'s financial director. Schmitz bought the rights to the Bergius patent on behalf of I.G. Farbenindustrie AG in 1925.<sup>79</sup>

Although Bosch had planned to have the development of the financed by I.G., he also considered a cooperation with the American Standard Oil Development Company for the worldwide use of the process. In addition to its enormous financial strength, Standard Oil had an excellently equipped research and development department. It was the leading company in the American oil industry and had been looking for alternatives to crude oil since the early 1920s. In the spring of 1925, Bosch sent several BASF executives to New York to visit Frank A. Howard, the head of Standard Oil Development Company, to explore the American company's interest. Walter C. Teagle, the company's president, felt it was necessary to cooperate with I.G. for the safety of Standard Oil. Teagle and Howard proposed an agreement to Bosch to jointly develop and perfect the process, which eventually became a joint project for the hydrogenation of crude oil. A factory was to be built in Louisiana, and Standard received the exploitation rights for the United States and a fifty percent share of revenues from licensing to third parties.<sup>80</sup>

- [78] quoted from: TAMMEN, HELMUTH: *Die I.G. Farbenindustrie Aktiengesellschaft (1925-1933); ein Chemiekonzern in der Weimarer Republik*. Berlin : Helmuth Tammén, 1978, p. 392.  
SCHNECKENBURGER, ARTHUR: *Die Geschichte des I.G. Farben-Konzerns; Bedeutung und Rolle eines Großunternehmens*. Cologne : Pahl-Rugenstein, 1988 - ISBN 3-7609-5242-9, p. 52.
- [79] BORKIN, JOSEPH: *Die unheilige Allianz der I.G. Farben; eine Interessengemeinschaft im Dritten Reich*: Frankfurt/Main, New York : Campus Verlag, 1979, 1990 (Vol. 1030) - ISBN: 3-593-34251-0; Campus series, p. 49.
- [80] BORKIN, JOSEPH: *Die unheilige Allianz der I.G. Farben; eine Interessengemeinschaft im Dritten Reich*: Frankfurt/Main, New York : Campus Verlag, 1979, 1990 (Vol. 1030) - ISBN: 3-593-34251-0; Campus series, p. 52.

However, the huge plant based on the Bergius principle, which Bosch had built directly next to the Haber-Bosch plant in Leuna, suffered from constant breakdowns and technical problems.

The expenditure had exceeded all expectations. In August 1928, Bosch then offered Standard Oil the worldwide rights to the Bergius process in order to rescue I.G. from its financial difficulties and continue the project. Only the rights for the German market were to remain with I.G. The German government would never have allowed this sale of a militarily and economically important process, which is why I.G. concealed the transaction.

To implement the agreement, the two companies jointly founded the Standard-I.G. Company based in the United States. This company was 80% owned by Standard and 20% by I.G. This secured I.G. a share in all future successes. The worldwide rights, with the exception of Germany, were transferred to this company and I.G. received 35 million Reichsmark worth of Standard shares in return.<sup>81</sup>

Bosch also tried to arouse Standard's interest in the production of the synthetic rubber Buna, which I.G. was producing from coal in its laboratories at uncompetitive prices. With Carl Krauch's help, the 'Joint American Study Company (Jasco)' was founded in 1930, 50% of which was owned by I.G. and 50% by Standard. Its business purpose was the testing and licensing of petrochemical processes that originated from the research programs of the two partners.<sup>82</sup>

The connection between I.G. and Standard had barely been forged before it was dealt its first serious blow. The global economic crisis and the discovery of huge oil reserves in Texas caused oil prices to plummet, destroying Standard's hopes of an immediate worldwide development of oil production from coal. Rubber took an even bigger tumble. *"By the beginning of World War II, Standard's interest in developing synthetic rubber was dormant, and it took the Arab oil boycott in 1974 to revive its interest in oil production from coal."*<sup>83</sup>

## 3.2. The I.G.'s relations with the NSDAP

### 3.2.1. Election donations to make it the last election

The global economic crisis and the fall in oil prices did not dissuade Bosch from his coal hydrogenation project. However, there was a group on the board of directors of I.G. that disagreed with Bosch. They told him that Leuna had to be closed immediately and that the project was an irresponsible burden for I.G., which was already suffering from the effects of the crisis.

[81] BORKIN, JOSEPH: *Die unheilige Allianz der I.G. Farben; eine Interessengemeinschaft im Dritten Reich*: Frankfurt/Main, New York : Campus Verlag, 1979, 1990 (Vol. 1030) - ISBN: 3-593-34251-0; Campus series, p. 53f.

[82] BORKIN, JOSEPH: *Die unheilige Allianz der I.G. Farben; eine Interessengemeinschaft im Dritten Reich*: Frankfurt/Main, New York : Campus Verlag, 1979, 1990 (Vol. 1030) - ISBN: 3-593-34251-0; Campus series, p. 54.

[83] BORKIN, JOSEPH: *Die unheilige Allianz der I.G. Farben; eine Interessengemeinschaft im Dritten Reich*: Frankfurt/Main, New York : Campus Verlag, 1979, 1990 (Vol. 1030) - ISBN: 3-593-34251-0; Campus series, p. 54.

suffered from the global economic crisis. Although 300 million Reichsmarks had already been invested in the project by 1930, the process was still not commercially viable. Although Bosch and Bergius were awarded the Nobel Prize for Chemistry in autumn 1931 "*in recognition of their contributions to the research and development of methods of high-pressure chemistry*", the price of synthetic petrol was still 40 and 50 pfennigs per liter, while petrol from crude oil cost only 7 pfennigs. Without state subsidies, it was not possible to produce oil from coal at a profit.<sup>84</sup>

As Hitler's attacks against companies with high Jewish involvement grew in 1931, I.G. became a favorite target of the Nazis. The company's management reacted with dismay to all attacks of this kind and tried to stop the attacks via Heinrich Gattineau, Carl Duisberg's press officer, who was SA Standartenführer and had excellent connections to the Nazis. Gattineau was successful and was sent by Carl Bosch to the I.G. press center in Berlin, which was strategically located for Nazi contacts<sup>85</sup>.

Bosch now also felt that "*the time had come to make contact with Hitler and explore his commitment to the oil synthesis project (...) - they wanted to know what their position would be if Hitler became chancellor.*"<sup>86</sup> In the Reichstag elections in July 1932, the NSDAP won 230 out of 608 seats and became Germany's strongest party. When the Papen government was overthrown, Hindenburg dissolved the Reichstag and called new elections for November 6, 1932. Bosch sent Gattineau and Bütefisch, who had been an employee at BASF since 1920, was a recognized expert in the field of high-pressure chemistry and the technical director responsible for the Leuna works<sup>87</sup>, to Hitler, who had a long and lively discussion with them about coal hydrogenation. During the conversation, Hitler developed a plan to bring about Germany's independence from oil imports, which he wanted to implement with the help of the I.G.. Hitler assured the I.G. representatives of his full political and financial support.<sup>88</sup>

When the NSDAP lost 34 seats in the new elections a few days later, German industrialists came to Hitler's aid. 38 representatives of industry took a public stand for Hitler, including Schacht and von Schröder from the banking industry, Cuno from North German Lloyd, Krupp, Vöglér and Thyssen from the steel industry, Siemens and Robert Bosch from the electrical industry. The I.G. was not yet involved. Bosch was not yet prepared to make a public statement.<sup>89</sup>

[84] BORKIN, JOSEPH: *Die unheilige Allianz der I.G. Farben; eine Interessengemeinschaft im Dritten Reich*: Frankfurt/Main, New York : Campus Verlag, 1979, 1990 (Vol. 1030) - ISBN: 3-593-34251-0; Campus series, p. 55.

[85] BORKIN, JOSEPH: *Die unheilige Allianz der I.G. Farben; eine Interessengemeinschaft im Dritten Reich*: Frankfurt/Main, New York : Campus Verlag, 1979, 1990 (Vol. 1030) - ISBN: 3-593-34251-0; Campus series, p. 56.

[86] BORKIN, JOSEPH: *Die unheilige Allianz der I.G. Farben; eine Interessengemeinschaft im Dritten Reich*: Frankfurt/Main, New York : Campus Verlag, 1979, 1990 (Vol. 1030) - ISBN: 3-593-34251-0; Campus series, p. 57.

[87] TAMMEN, HELMUTH: *The I.G. Farbenindustrie Aktiengesellschaft (1925-1933); a chemical company in the Weimar Republic*. Berlin : Helmuth Tammen, 1978, p. 283.

SCHNECKENBURGER, ARTHUR: *Die Geschichte des I.G. Farben-Konzerns; Bedeutung und Rolle eines Großunternehmens*. Cologne : Pahl-Rugenstein, 1988 - ISBN 3-7609-5242-9, p. 58.

[88] Testimony of H. Bütefisch at the Nuremberg Trials NI8637, p. 15. after: BORKIN, JOSEPH: *Die unheilige Allianz der I.G. Farben; eine Interessengemeinschaft im Dritten Reich*: Frankfurt/Main, New York : Campus Verlag, 1979, 1990 (Vol. 1030) - ISBN: 3-593-34251-0; Campus series, p. 57.



President Hindenburg was unimpressed by this demonstration and appointed Kurt von Schleicher to form a government. However, Schleicher did not succeed in forming a stable government, so Hindenburg finally appointed Hitler Chancellor on January 30, 1933. The next elections were scheduled for March 5.

On February 20, the former Reichsbank president Hjalmar Schacht, who was one of Hitler's most active supporters from industry and high finance, summoned the leading German industrialists and financiers to a secret meeting at Hermann Göring's house. This time the I.G. was there. Schacht asked for donations totaling 3 million Reichsmarks to support Hitler's election campaign. Hitler personally informed them of an impending coalition between the NSDAP and DNVP, and emphasized that both parties would have to achieve a majority in the upcoming Reichstag election.<sup>90</sup> Georg von Schnitzler, who was present at Bosch's instruction, promised 400,000 RM on behalf of I.G., by far the largest <sup>single</sup> donation<sup>91</sup>, "*so that it would be the last election*".<sup>92</sup> The Nazis were promptly more successful again in the elections on March 5. They recorded a Vote increase of 5.5 million voters - enough to keep Hitler as chancellor of a coalition government.

### 3.2.2. The approving acceptance of fascist politics in the I.G. and the petrol pact

Exactly one month after the meeting of industrialists, the first concentration camp was set up in Dachau on March 20, 1933. Carl Bosch welcomed such facilities, as in the various labor camps the "*degenerate unemployed youth*" would be educated to become "*cheerful people who are proud of their work*".<sup>93</sup>

Within a few weeks, conditions in Germany changed radically. The National Socialists' seizure of power was formally legalized by the Enabling Act, which amended the constitution, and the already fierce fight against Communists, trade unions and Social Democrats expanded even more rapidly. The fact that the majority of this policy was supported by I.G. Farben can also be seen from a document sent by the BAYER Pharma Division in 1933 to its US subsidiary Winthorp Chemical Corp. in New York

[89] BORKIN, JOSEPH: *Die unheilige Allianz der I.G. Farben; eine Interessengemeinschaft im Dritten Reich*: Frankfurt/Main, New York : Campus Verlag, 1979, 1990 (Vol. 1030) - ISBN: 3-593-34251-0; Campus series, p. 57f.

[90] Affidavit by Georg von Schnitzler dated November 10, 1945, HAB335, 10, no. 173, evidence document EC-439. according to: SCHNECKENBURGER, ARTHUR: *The history of the I.G. Farben Group; the significance and role of a major company*. Cologne : Pahl-Rugenstein, 1988 - ISBN 3-7609-5242-9, p. 60.

[91] BORKIN, JOSEPH: *Die unheilige Allianz der I.G. Farben; eine Interessengemeinschaft im Dritten Reich*: Frankfurt/Main, New York : Campus Verlag, 1979, 1990 (Vol. 1030) - ISBN: 3-593-34251-0; Campus series, p. 58.

[92] quoted from: KÖHLER, OTTO: *... and today the whole world; The history of I.G. Farben and its fathers*. Rasch und Röhrig Verlag : Hamburg, Zurich 1986 - ISBN 3-89438-010-1, S. 221.

[93] quoted from: KÖHLER, OTTO: *... and today the whole world; The history of I.G. Farben and its fathers*. Rasch und Röhrig Verlag : Hamburg, Zurich 1986 - ISBN 3-89438-010-1, S. 222.

. This document "was intended to give the foreign missions an overview of Germany's economic and political situation at the present time".<sup>94</sup>



The right flags in the company newspaper (O.M.G.U.S.: *Investigations against the I.G. Farbenindustrie A.G.* - Ed. Hans Magnus Enzensberger; Nördlingen : Verlag Franz Greno, 1986 (Special volume of the Other Library) - ISBN: 3-891-900-198)

*We are just experiencing the first signs of this.* <sup>95</sup>

"(...) The old parliamentary system had lost its breath in the race of political ideas and had to make way for the idea of political leadership. (...) Germany was a pawn in the hands of the Versailles Treaty partners. (...) But the government set to work without hesitation and with the greatest energy. Within a few months, conditions were fundamentally transformed. Internally, the Reichstag fire gave the signal to fight the Communists and Marxists, who were about to bring Germany to the brink of the abyss once again in an armed uprising. They cracked down with an iron fist and cleansed the country. The people were given peace.

(...) On the whole, since the beginning of the National Socialist revolution, Germany's intellectual and economic development has taken a strong upswing. (...)

Under Adolf Hitler's leadership, the Third Reich consolidated itself within a very short time. It is impossible to imagine the world without it; all boycott and atrocity incitement will be crushed in the long run by the peaceful attitude of the German people.

After years of going astray, the German people have regained faith in themselves. A new period of German history has begun and with it a new spiritual and economic rise, whose

[94] cf: Document from the American National Archives (National Archives Collection, Word War II Crimes Records) No. 10267: "Bayer Meister Lucius" Pharmazeutische Abteilung I.G.; Direktion an die Geschäftsleitung der Winthrop Chemical Corp., New York und an die Geschäftsleitung des Bayer Co. Export Department, New York vom 14.12.1933, gezeichnet: Mann (Wilhelm Rudolf Mann, highly decorated war veteran and son of a founder of I.G. Farben, was sales manager at Bayer and deputy member of the I.G. Farben Board of Management). quoted from: SCHNECKENBURGER, ARTHUR: *The history of the I.G. Farben Group; the significance and role of a major company*. Cologne : Pahl-Rugenstein, 1988 - ISBN 3-7609-5242-9, pp. 62, 151.

see also: TAMMEN, HELMUTH: *Die I.G. Farbenindustrie Aktiengesellschaft (1925-1933); ein Chemiekonzern in der Weimarer Republik*. Berlin : Helmuth Tammen, 1978, pp. 295, 435.

[95] quoted from: SCHNECKENBURGER, ARTHUR: *The history of the I.G. Farben Group; the significance and role of a major company*. Cologne : Pahl-Rugenstein, 1988 - ISBN 3-7609-5242-9, p. 62f.

see: TAMMEN, HELMUTH: *Die I.G. Farbenindustrie Aktiengesellschaft (1925-1933); ein Chemiekonzern in der Weimarer Republik*. Berlin : Helmuth Tammen, 1978, p. 295ff.

The I.G. was well on the way to establishing good relations under the new regime. It closely linked its activities with those of the NSDAP and its aid organizations. At the same time, there was close and persistent cooperation with the High Command of the Wehrmacht, with its economic, espionage and counter-espionage departments.<sup>96</sup> The entire economic, financial and personnel power of the perfectly organized corporate apparatus was used to represent interests.<sup>97</sup>

Hermann Schmitz was appointed honorary deputy of the NSDAP in the Reichstag, underlining his support for Hitler's goals. Schnitzler opened a salon in Berlin where foreign industrialists and politicians had the opportunity to meet with high-ranking National Socialists. Bosch's young protégé Heinrich Bütelfisch became a Sturmbannführer in the SS and represented I.G. in the 'Circle of Friends of Heinrich Himmler', which brought together exponents of the largest German industrial groups.<sup>98</sup>

Of course, the I.G. also provided the NSDAP and its organizations with extensive financial support. Amounts in excess of RM 2,000 could only be transferred after consultation with Bosch or Schmitz.<sup>99</sup> I.G. made a very large financial contribution, particularly through its participation in the 'Adolf Hitler Donation of German Industry' set up by the industrial sectors. Its donation amount - 5% of its annual wage and salary total - amounted to 924,142 Reichsmark in the first year 1933/34.<sup>100</sup> This annual financing of the NSDAP, which continued until the end of the war, was carried out according to an agreement between the Reich leadership of the NSDAP and the representative of German industry.<sup>101</sup> Due to the positive economic development for German industry, it can be assumed that the above-mentioned amount of the I.G. Farben donation increased further in the following years. In addition, I.G. made further large donations for policies that were in its interests. Money flowed to those in power when political developments held out the prospect of a favorable basis for expansion<sup>102</sup> - such as after the annexation of the Sudetenland.<sup>103</sup>

Relations with the military leadership were carefully cultivated. For some time now, Max Ilgner (Hermann Schmitz's nephew), who was head of the central financial administration of I.G.

- [96] O.M.G.U.S.: *Ermittlungen gegen die I.G. Farbenindustrie A.G.* - Ed. Hans Magnus Enzensberger; Nördlingen : Verlag Franz Greno, 1986 (Special volume of the Other Library) - ISBN: 3-891-900-198, p. 161.
- [97] SCHNECKENBURGER, ARTHUR: *The history of the I.G. Farben Group; the significance and role of a major company.* Cologne : Pahl-Rugenstein, 1988 - ISBN 3-7609-5242-9, p. 66.
- [98] SCHNECKENBURGER, ARTHUR: *The history of the I.G. Farben Group; the significance and role of a major company.* Cologne : Pahl-Rugenstein, 1988 - ISBN 3-7609-5242-9, p. 65.
- [99] Affidavit by Schnitzler, evidence document EC-439. quoted from: SCHNECKENBURGER, ARTHUR: *Die Geschichte des I.G. Farben-Konzerns; Bedeutung und Rolle eines Großunternehmens.* Cologne : Pahl-Rugenstein, 1988 - ISBN 3-7609-5242-9, p. 63f.
- [100] BWA 13/11 Vol.2 Z.A.-Büro vom 8.6.1933; Beratungspunkte Z.A.-Sitzung vom 12.6.1933 Anlage 3, Spenden. quoted from TAMMEN, HELMUTH: *Die I.G. Farbenindustrie Aktiengesellschaft (1925-1933); ein Chemiekonzern in der Weimarer Republik.* Berlin : Helmuth Tammen, 1978, p. 303.
- [101] SCHNECKENBURGER, ARTHUR: *The history of the I.G. Farben Group; the significance and role of a major company.* Cologne : Pahl-Rugenstein, 1988 - ISBN 3-7609-5242-9, p. 64.
- [102] SCHNECKENBURGER, ARTHUR: *The history of the I.G. Farben Group; the significance and role of a major company.* Cologne : Pahl-Rugenstein, 1988 - ISBN 3-7609-5242-9, p. 65.
- [103] see Chapter 4 *I.G. Farben in World War II.*

Farben in Berlin NW7 was an important man for the company, acting as a liaison to the Army Ordnance Office. Ilgner belonged to an economic circle around the head of the Reich Statistical Office, Prof. Ernst Wagemann. This 'Wagemann circle' initiated contact with Funk, the NSDAP's economic advisor, whereby the circle wanted more information about the NSDAP's economic policy program and, above all, wanted to know how the NSDAP would react to his reform proposals. These contacts were made long before the NSDAP was tasked with forming a government.<sup>104</sup> Through Ilgner, the

I.G. was also involved in the secret development of the illegal air force of the Third Reich, a direct violation of the Treaty of Versailles, from June 1933 onwards.<sup>105</sup>

In mid-1933, Carl Krauch received a visit from General Erhard Milch. Milch was State Secretary in the Ministry of Aviation and was regarded as Göring's right-hand man. He asked Krauch for a detailed report on Germany's production capacity for mineral oils. On September 15, 1933, Krauch presented his findings on the German fuel industry. He developed a four-year plan to expand the production of domestic fuels, which envisaged a three-and-a-half-fold increase in fuel production from domestic raw materials. The I.G. hydrogenation process played a central role in Krauch's plan. Milch and the officers of the Ministry of Aviation agreed with this plan and proposed a "*joint energetic approach*".<sup>106</sup>

Only the I.G. was able to provide Hitler with independence from oil supplies. So on 14 The contract, which was personally endorsed by Hitler, was signed by Bosch and Schmitz on behalf of I.G. on the one hand and representatives of the Third Reich on the other. According to this agreement, I.G. was to expand its facilities in Leuna to achieve an annual capacity of 300-350,000 tons of oil by the end of 1937. In return, the Reich promised a guaranteed price that corresponded to the production costs and guaranteed a 5% return. Generous depreciation agreements and a guarantee for the sale of all oil that the I.G. could not sell itself rounded off the 'petrol contract'.<sup>107</sup> It was only a matter of time before the I.G. could guarantee Germany's complete, militarily and politically important independence. "*I.G. no longer had to worry about financing the project and Hitler did not have to worry about oil supplies until May 1944, when the US Air Force destroyed the Leuna works.*"<sup>108</sup>

[104] TAMMEN, HELMUTH: *I.G. Farbenindustrie Aktiengesellschaft (1925-1933); a chemical company in the Weimar Republic*. Berlin : Helmuth Tammen, 1978, p. 276.

[105] BORKIN, JOSEPH: *Die unheilige Allianz der I.G. Farben; eine Interessengemeinschaft im Dritten Reich*: Frankfurt/Main, New York : Campus Verlag, 1979, 1990 (Vol. 1030) - ISBN: 3-593-34251-0; Campus series, p. 60.

[106] BORKIN, JOSEPH: *Die unheilige Allianz der I.G. Farben; eine Interessengemeinschaft im Dritten Reich*: Frankfurt/Main, New York : Campus Verlag, 1979, 1990 (Vol. 1030) - ISBN: 3-593-34251-0; Campus series, p. 61.

[107] American National Archives, Gasoline Contract, Dec. 14, 1933. after: BORKIN, JOSEPH: *Die unheilige Allianz der I.G. Farben; eine Interessengemeinschaft im Dritten Reich*: Frankfurt/Main, New York : Campus Verlag, 1979, 1990 (Vol. 1030) - ISBN: 3-593-34251-0; Campus series.

[108] BORKIN, JOSEPH: *Die unheilige Allianz der I.G. Farben; eine Interessengemeinschaft im Dritten Reich*: Frankfurt/Main, New York : Campus Verlag, 1979, 1990 (Vol. 1030) - ISBN: 3-593-34251-0; Campus series, p. 62.

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At the end of 1933, representatives of the Army Ordnance Office and the Reich Ministry of Economics approached the

I.G. in order to persuade them to resume the Buna project. Buna was of military and propaganda importance to Hitler, so he did not want to wait for I.G.'s successes. At the 7th Reich Party Congress in Nuremberg on September 11, 1935, he announced that the problem of synthetic rubber production could be regarded as finally solved and that the first factory for this purpose would be built immediately.<sup>109</sup>

I.G. had the encouragement it needed. Bosch decided to build an extensive Buna factory in Schkopau near Leuna and construction work soon began.

### 3.2.3. Personnel changes and 'Nazification' of I.G.

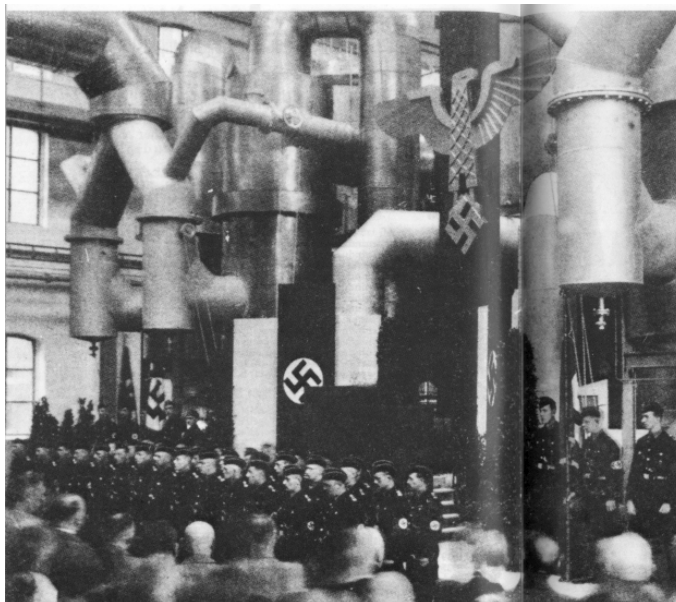
Fritz Haber, who was Jewish, was forced by the Nazis to give up his chair at Berlin University despite fierce protests from the I.G. board. He left Germany and died in Basel in January 1934.<sup>110</sup>

Carl Duisberg died on 19 March 1935 "as one of the first pioneers of German chemistry, a successful leader and one of the great organizers of the German economy", as Hitler wrote in his telegram to Duisberg's widow.<sup>111</sup>

The year 1937 brought another decisive change in the character of I.G. Membership of the NSDAP was strongly encouraged and almost all directors who were not already members, such as Hermann Schmitz, Heinrich Hörlein, Wilhelm Mann, Fritz Gajewski and Hans Kühne, joined the party. These included Carl

Krauch, Fritz ter Meer, Georg von Schnitzler, Max Ilgner, Otto Ambros, Friedrich Jähne, Christian Schneider, Karl Wurster, Carl Lautenschläger and Ernst Bürgin. Significantly

All Jewish directors were also removed that year: Carl von Weinberg, Arthur von Weinberg, Otto von Mendelssohn-Bartholdy, Richard Merton, Ernst von Simson, Alfred Merton,



A.G. - Ed. Hans Magnus Enzensberger; Nördlingen : Verlag Franz Greno, 1986 (Special volume of the Other Library) - ISBN: 3-891-900-198)

- [109] BORKIN, JOSEPH: *Die unheilige Allianz der I.G. Farben; eine Interessengemeinschaft im Dritten Reich*: Frankfurt/Main, New York : Campus Verlag, 1979, 1990 (Vol. 1030) - ISBN: 3-593-34251-0; Campus series, p. 64.
- [110] BORKIN, JOSEPH: *Die unheilige Allianz der I.G. Farben; eine Interessengemeinschaft im Dritten Reich*: Frankfurt/Main, New York : Campus Verlag, 1979, 1990 (Vol. 1030) - ISBN: 3-593-34251-0; Campus series, p. 59f.
- [111] quoted from: KÖHLER, OTTO: ... and today the whole world; *The history of I.G. Farben and its fathers*. Rasch und Röhrig Verlag : Hamburg, Zurich 1986 - ISBN 3-89438-010-1, S. 228.

Wilhelm Pelzer and Gustav Schlieper. A third of the entire Supervisory Board was relieved of their duties - and some of them later died miserably in ghettos or concentration camps.<sup>112</sup>

### 3.2.4. Espionage and War preparations

In the same year, the Ministry of Aviation asked Carl Krauch for support in an important matter: the Luftwaffe did not have sufficient lead tetraethyl stocks in case Hitler's planned invasion of Czechoslovakia escalated into war.

I.G. offered Standard-Oil a partnership for the construction of production facilities in Germany. The Ethyl-Export-Corporation, a subsidiary of Standard-Oil, and I.G. concluded an agreement on the foundation of a joint company. The resulting 'Ethyl GmbH' was to build and operate the German lead tetraethyl plants. The Nazi government supported I.G. in exploiting its relationship with Standard-Oil to gain technical knowledge and other advantages, but at the same time took great care to ensure that this exchange of information was only one-way.<sup>113</sup> As these plants could not have been completed before the end of 1939, the Ministry of Aviation, which knew of I.G.'s relationship with Standard-Oil, asked for 500 tons of the urgently needed fuel additive to be procured from US stocks. Krauch and Schmitz then negotiated with the Ethyl Export Corporation, whereupon deliveries began within a month. The last partial delivery arrived in good time before Hitler's planned invasion date.<sup>114</sup>

In August 1939, it became clear that war in Europe could no longer be avoided. Should the war also lead to a conflict between the German Reich and the United States, Standard-Oil and I.G. had to reckon with serious consequences, namely the confiscation of their joint companies and shares. Shares and patents were distributed in such a way that German interests could not be jeopardized. Standard-Oil received the USA and the Allied countries as sales markets, while the I.G. received the rest of the world. The I.G. had the option of re-establishing relations at any time as they had been before the start of the war.<sup>115</sup>

These were therefore measures to camouflage I.G.'s involvement for the duration of the war. In the case of the patents, the procedure was that I.G. confirmed the agreements to transfer the patents, but did not make the technical information available for the duration of the war.

- [112] BORKIN, JOSEPH: *Die unheilige Allianz der I.G. Farben; eine Interessengemeinschaft im Dritten Reich*: Frankfurt/Main, New York : Campus Verlag, 1979, 1990 (Vol. 1030) - ISBN: 3-593-34251-0; Campus series, p. 72. cf. KÖHLER, OTTO: *... und heute die ganze Welt; The history of I.G. Farben and its fathers*. Hamburg, Zurich : Rasch und Röhrig Verlag, 1986 - ISBN 3-89438-010-1, p. 226f.
- [113] BORKIN, JOSEPH: *Die unheilige Allianz der I.G. Farben; eine Interessengemeinschaft im Dritten Reich*: Frankfurt/Main, New York : Campus Verlag, 1979, 1990 (Vol. 1030) - ISBN: 3-593-34251-0; Campus series, p. 76.
- [114] BORKIN, JOSEPH: *Die unheilige Allianz der I.G. Farben; eine Interessengemeinschaft im Dritten Reich*: Frankfurt/Main, New York : Campus Verlag, 1979, 1990 (Vol. 1030) - ISBN: 3-593-34251-0; Campus series, p. 75.
- [115] BORKIN, JOSEPH: *Die unheilige Allianz der I.G. Farben; eine Interessengemeinschaft im Dritten Reich*: Frankfurt/Main, New York : Campus Verlag, 1979, 1990 (Vol. 1030) - ISBN: 3-593-34251-0; Campus series, pp. 81ff.

until official business relations had to be broken off by the state in 1942. I.G. took a similar approach with other foreign holdings and business partners.<sup>116</sup>

The Standard Oil Company, which was renamed Exxon Corporation in 1972 and operates in Germany under the name of its subsidiary ESSO AG, is today the largest mineral oil company in the world.<sup>117</sup>

### 3.3. The I.G. prepares for war - Carl Krauch as ammunition dictator

*"But it was only during the war that German chemistry was able to provide the great test of its worth. It is no exaggeration to say that a modern war would be unimaginable without the results achieved by the German chemical industry under the Four-Year Plan."* (Dr. von Schnitzler, Central Committee member of the I.G. Board of Management, February 10, 1943)<sup>118</sup>

The I.G. - fully aware of the preparations for a war of aggression - was to take the leading role in the industrial preparations for war. All the leading men involved in the

The pursuit of power and money was more important to I.G. than the suffering and death of millions who had to fall in order to increase profits.

The factories and laboratories of the I.G. worked overtime for Hitler's planned invasion of the world. An excerpt from the list of products that the I.G. manufactured for Germany's rearmament proves how irreplaceable the I.G. was. In 1943, I.G. Farben accounted for 100% of German methanol production, which was essential for the manufacture of plastics, synthetic resins and rubber, 100% of serums and lubricating oils, 95% of poison gases, 95% of all nickel produced in Germany, 92% of plasticizers, 90% of organic intermediates, 90% of plastics, 88% of magnesium, which was essential for German aircraft and incendiary bomb production, 84% of explosives and 75% of nitrogen, which was necessary for the manufacture of explosives. More than 60% of all the main products manufactured by I.G. were of primary importance to the Wehrmacht.<sup>119</sup>

Carl Krauch was to be the man to lead the I.G. to the center of the war preparation plans. And Carl Krauch was not a man who wanted to leave developments to chance

- His first official contacts with the Nazis began as early as 1933.

He ensured that the I.G., in the person of Max Ilgner, was involved in the most secret undertaking of the then still young Third Reich as early as June 1933 - namely the (illegal) establishment of an illegal air force, for which the I.G. was responsible for supplying

[116] BORKIN, JOSEPH: *Die unheilige Allianz der I.G. Farben; eine Interessengemeinschaft im Dritten Reich*: Frankfurt/Main, New York : Campus Verlag, 1979, 1990 (Vol. 1030) - ISBN: 3-593-34251-0; Campus series, p. 85.

[117] Meyers Gr.Taschenlexikon, 1987, vol. 6, p. 303.

[118] O.M.G.U.S.: *Ermittlungen gegen die I.G. Farbenindustrie A.G.* - Ed. Hans Magnus Enzensberger; Nördlingen : Verlag Franz Greno, 1986 (Special volume of the Other Library) - ISBN: 3-891-900-198, p. 2.

[119] O.M.G.U.S.: *Ermittlungen gegen die I.G. Farbenindustrie A.G.* - Ed. Hans Magnus Enzensberger; Nördlingen : Verlag Franz Greno, 1986 (Special volume of the Other Library) - ISBN: 3-891-900-198, p. 16.

aircraft fuel. As early as September 15, 1933 (!), Krauch submitted his report on the German fuel industry and developed a **four-year plan** to expand the production of domestic fuels. The I.G. hydrogenation process played a central role in this (quite incidentally). This plan, which had already been informally concluded with Hitler in 1932 as a **petrol pact**, was finally put into a legally valid form and signed on December 14, 1933 by Bosch and Schmitz on behalf of I.G. and by representatives of the Third Reich (see above). The agreement protected I.G. from bankruptcy (due to the huge misinvestments in hydrogenation technology) and ensured the Nazis a fuel supply for an entire war. I.G. had invested around RM 2 million in the NSDAP and Adolf Hitler in 1933 and early 1934 - without this contract, it would have had to write off RM 300 million as losses. Investments in politicians always have the highest return - just like today.

In October 1934, it was again Carl Krauch who drew up the first major mobilization plan for mineral oil for the Reichswehr Ministry, bypassing the responsible Minister of Economics, Hjalmar Schacht. And it was also he who showed State Secretary Milch around Oppau in July 1935 to show him the capabilities of I.G. to support the (still illegal) Luftwaffe.

As early as March of that year, the I.G. had submitted a memorandum to the Armaments Advisory Board of the Reichswehr Ministry, demanding *"the creation of a new military-economic organization that would direct the last man and the last woman, the last production facility and machine as well as the last raw material to the production of war-relevant products and integrate all workers, production facilities and raw materials into a tightly militarily managed economic organism."*<sup>120</sup> The preparations for war openly set out in this memorandum must also be seen in the context of *"the transition to the open build-up of the Luftwaffe"*.<sup>121</sup>

This memorandum from 1935 clearly shows itself to be a preventive and definitely intended

It was the Group's intention to play a - if not **the** - decisive role in the foreseeable armaments planning. And to ensure that this could function as smoothly and effectively as possible, in September 1935 the *"Vermittlungsstelle W"* (W for Wehrmacht) was *created to standardize and consolidate all armaments matters and to ensure constant contact with the military authorities in particular.*<sup>122</sup> The head of this Vermittlungsstelle W in the Berlin I.G. branch office was none other than - how could it be otherwise - Carl Krauch.

And finally, when Göring was appointed General Commissioner of a newly founded **Raw Materials and Foreign Exchange Staff** in April 1936, none other than Carl Krauch was appointed Head of the Research and Development Department (R+D) of this staff.

[120] Trials of War Criminals, vol. 12, Washington 1952, p. 430ff. and EICHHOLZ, DIETRICH; SCHUMANN, WOLFGANG: *Anatomie des Krieges*. Berlin, 1969 p. 130. both quoted from: KÖHLER, OTTO: *... und heute die ganze Welt; The history of I.G. Farben and its fathers*. Hamburg, Zurich : Rasch und Röhrig Verlag, 1986 - ISBN 3-89438-010-1, p. 251.

[121] EICHHOLTZ, D.: *Geschichte der deutschen Kriegswirtschaft 1939-1945*. vol. 1, Berlin, 1984, p. 41. quoted from: SCHNECKENBURGER, ARTHUR: *The history of the I.G. Farben Group; the significance and role of a major company*. Cologne : Pahl-Rugenstein, 1988 - ISBN 3-7609-5242-9, p. 80.

[122] Document from the American National Archives (National Archives Collection, Word War II Crimes Records) No. 7611: Affidavit Gorr, Case 6, Film 410, Document B 6, p. 52ff. quoted from: SCHNECKENBURGER, ARTHUR: *Die Geschichte des I.G. Farben-Konzerns; Bedeutung und Rolle eines Großunternehmens*. Cologne : Pahl-Rugenstein, 1988 - ISBN 3-7609-5242-9, p. 80.



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Of course, Krauch "had" to keep his high positions at the I.G. even after he joined Göring's agency. He remained a member of the I.G. Board of Directors and head of the High Pressure Chemistry Department. He also continued to perform his duties as head of I.G.'s Berlin central office, from which two of the leading employees - Gerhard Ritter and Johannes Eckell - were transferred to Krauch's R&D office.<sup>123</sup>

Parallel to this development, a dispute had been smouldering for some time between Hjalmar Schacht and Göring and Krauch, which reached its climax in August 1936: Schacht, Reichsbank President, Reich Minister of Economics and (still) Plenipotentiary General for the Defense Industry, increasingly refused to support the extremely cost-intensive research and development work due to his knowledge of financial policy.



Göring in conversation with Hermann Schmitz and Carl Krauch (O.M.G.U.S.: *Investigations against I.G. Farbenindustrie A.G.* - Ed. Hans Magnus Enzensberger; Nördlingen : Verlag Franz Greno, 1986 (Special volume of the Other Library) - ISBN: 3-891-900-198)

I.G. by the state and instead advocated stockpiling and cheap purchases on the world market. The Nazis and the I.G., on the other hand, wanted a German Reich that was as self-sufficient as possible, and no price was too high to achieve this goal (which in turn was not wrong for the I.G.'s purse).

But these energy-sapping internal frictions within the armaments management over the most effective methods of rearmament should - thanks to I.G. - soon come to an end.

The decision was made in Berlin on August 26, 1936, shortly after the 'Olympics of Peace'. On this day, Hitler presented a 'Secret Memorandum' written with the help of Krauch's guidelines (most clearly recognizable under III. and IV., see below), which dealt with the military concept of a "*forward defence against Bolshevism*":

*"The scale and speed of the military utilization of our forces cannot be chosen large and fast enough! It is a capital error to believe that there could be any negotiation or balancing of these points with other necessities of life (...)*

*If we do not succeed in the shortest possible time in developing the German Wehrmacht into the first army in the world in terms of training, formations, equipment and, above all, spiritual education, Germany will be lost! (...) There is only one interest, and that is the interest of the nation, and a single view, that is that Germany must be brought politically and economically into a position of self-preservation. (...)*

[123] BORKIN, JOSEPH: *Die unheilige Allianz der I.G. Farben; eine Interessengemeinschaft im Dritten Reich*: Frankfurt/Main, New York : Campus Verlag, 1979, 1990 (Vol. 1030) - ISBN: 3-593-34251-0; Campus series, p. 67.

- I. *Similar to the military and political rearmament or mobilization of our people, an economic rearmament must also take place at the same pace, with the same determination and, if necessary, with the same ruthlessness. The interests of individual masters must no longer play a role. (...)*
- II. *To this end, foreign exchange must be saved in all areas in which German production can achieve its own satisfaction. (...)*
- III. *With this in mind, German fuel production must now be driven forward at the fastest possible pace and brought to a complete conclusion within eighteen months" - the first invasion of another country by the German Wehrmacht will take place one month after the expiry of this deadline. The task is to be approached and carried out with the same determination as the conduct of a war; for the coming warfare depends on its solution and not on a stockpiling of gasoline. (...)*
- IV. *The mass production of synthetic rubber must also be organized immediately. The assertion that the processes have perhaps not yet been fully clarified and similar excuses have to remain silent from now on. (...) Above all, it is not the task of state economic institutions to rack their brains over production methods. This is none of the Ministry of Economics' business. (...) Either we have a private sector today, in which case it is its task, (...) or we believe that clarifying production methods is the task of the state, in which case we no longer need a private sector. (...)*
- V. *The question of the cost price of these raw materials is also completely irrelevant, because it is still better for us to produce more expensive tires in Germany and be able to drive them than to <sup>sell</sup><sup>124</sup> theoretically cheap tires for which the Ministry of Economics cannot approve foreign currency. (...)*

*I set the following task:*

- I. *The German army must be operational in four years.*
- II. *The German economy must be ready for war within four years.* <sup>m25</sup>

There could hardly have been a clearer political endorsement of unconditional financing and support for I.G.'s research and development interests and a clearer rejection of the austerity and stockpiling plans of Hjalmar Schacht, the acting Plenipotentiary General for the Defense Industry. The I.G. could be highly satisfied with Krauch. Unfortunately, due to the "incidents" in Poland, Hitler and the I.G. had to shorten this timeframe by another year and start the war as early as 1939. This memorandum, of which, significantly, Schacht, as the person actually affected, had deliberately not received a copy, was so clear that War Minister Werner von Blomberg then asked Göring to increase the defense budget for 1937 by 42%!

Six weeks later, Göring was appointed 'Commissioner for the Four-Year Plan' by Hitler and transferred his previous staff of the raw materials and foreign exchange staff to the new **office for the Four-Year Plan**.

[124] should actually be "buy".

[125] Trials of War Criminals, vol. 7, Washington 1952, pp. 787ff. and EICHENHOLTZ, D.; SCHUMANN, W.: *Anatomie des Krieges*. Berlin, 1969, pp. 144-150, here quoted from KÖHLER, OTTO: *... und heute die ganze Welt; The history of I.G. Farben and its fathers*. Hamburg, Zurich : Rasch und Röhrig Verlag, 1986 - ISBN 3-89438-010-1, p. 246ff.

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Carl Krauch remained head of the R&D department, with a staff of employees who mainly came from I.G.. Johannes Eckell, for example, was put in charge of the department for the development of synthetic rubber - and I.G. was fortunately able to conduct its negotiations on the Buna project directly with Eckell (its former employee) from then on.<sup>126</sup> This was not an isolated case, as in the fall of 1939, 20 of the 98 academically trained R&D employees were I.G. employees.

The four-year plan as a whole included coal, iron and chemicals; however, the chemical industry alone was to receive 90% of the funds over the next few months, of which 72.7% went to the I.G. The size of the I.G.'s share prompted the head of the Chemical Industry Department in the Ministry of Economics to remark: "*The four-year plan was practically an I.G. plan.*"

Some entrepreneurs protested against the preferential treatment of the I.G. and the two pharmaceutical companies Schering and Merck refused to cooperate, as they feared that their production secrets would be made available to the I.G. without them making a corresponding profit.<sup>127</sup>

Schacht still joined the opposition to the I.G., but his days as a man of influence in Nazi Germany were numbered. After his resignation as Minister of Economics, he had lost all his other offices by the end of 1937 and was in a concentration camp in 1944 (as a result of the assassination attempt on Hitler).

The year 1937 finally brought the decisive change for I.G. as a whole: directors and supervisory board members were 'nazified' (see above) In August 1938, I.G. manager Carl Krauch made his final push. Now he wanted everything that could interest a community of interests in a state: he did not want to be leader, not chancellor, not president - it was enough to unite the armaments policy and thus the economic policy in his hands. Events in the middle of 1938 saw Krauch's powers, and thus the influence of the I.G. on the coming developments, increase for the last time and for good: a dispute had arisen between the Four-Year Plan Office, which was based at the Army Ordnance Office, and Krauch over the planned production capacities of the chemical industry. Krauch succeeded in getting Göring to withdraw control of the Four-Year Plan from the Army Weapons Office and transfer it to him.<sup>128</sup> Although the Army Weapons Office insisted on its opposition to civilian influence on military matters, Göring ended the tiresome dispute in Krauch's favour and appointed him **General Plenipotentiary for Special Issues of Chemical Production** on 22 August 1938 (the date for the invasion of Czechoslovakia was approaching).<sup>129</sup> This was the first time Göring had placed control of military raw materials procurement directly in the hands of a civilian.

[126] Document from the American National Archives (National Archives Collection, Word War II Crimes Records) No. 9767, p. 2: Affidavit of Erich Gritzbach. and Document from the American National Archives (National Archives Collection, Word War II Crimes Records) No. 7241, pp. 9-10: Affidavit of Ernst Struss. quoted from: BORKIN, JOSEPH: *Die unheilige Allianz der I.G. Farben; eine Interessengemeinschaft im Dritten Reich*: Frankfurt/Main, New York : Campus Verlag, 1979, 1990 (vol. 1030) - ISBN: 3-593-34251-0; Campus series, p. 70.

[127] Document from the American National Archives (National Archives Collection, Word War II Crimes Records) No. 10.035, p. 35: Affidavit Hagert.

[128] BORKIN, JOSEPH: *Die unheilige Allianz der I.G. Farben; eine Interessengemeinschaft im Dritten Reich*: Frankfurt/Main, New York : Campus Verlag, 1979, 1990 (Vol. 1030) - ISBN: 3-593-34251-0; Campus series, p. 72f.

The outbreak of war in the fall of 1938, delayed by the signing of the Munich Agreement, gave Krauch another year to consolidate his power. Krauch's rule at the heart of power should basically be seen as a victory of the private initiative of a global corporation over the institutional rules governing the exercise of state power. Krauch had ultimately become what Duisberg had called for in his letter to Bauer in September 1916: **munitions dictator**. And he was much more than that. The NSDAP member Carl Krauch embodied the unity of party, state and I.G. Krauch, who always found the opportunity to fulfil his normal duties as an I.G. board member alongside his office, was more valuable to I.G. in his dual function than a license to print Reichsmarks.<sup>130</sup>

At that time, the I.G.'s leading role in the industrial preparations for war was unchallenged. Its factories and laboratories were working overtime for Hitler's planned invasion of the world. The fact that the four-year plan had been turned into an I.G. plan proved its value to the I.G. - and to Germany. The clear dependence of the entire German military supply on the I.G. was presented by an American committee of inquiry in the O.M.G.U.S. report after the end of the war (see the following pages, see also Chapter 5.2):

Incidentally, the second graph clearly shows how little the production capacity of the I.G. suffered from the terrible destruction of the war - in stark contrast to the massive destruction of the cities and workers' settlements. Only completely naïve opportunists would call this a coincidence. And here, at the latest, it will be permissible to look for the old ties between the

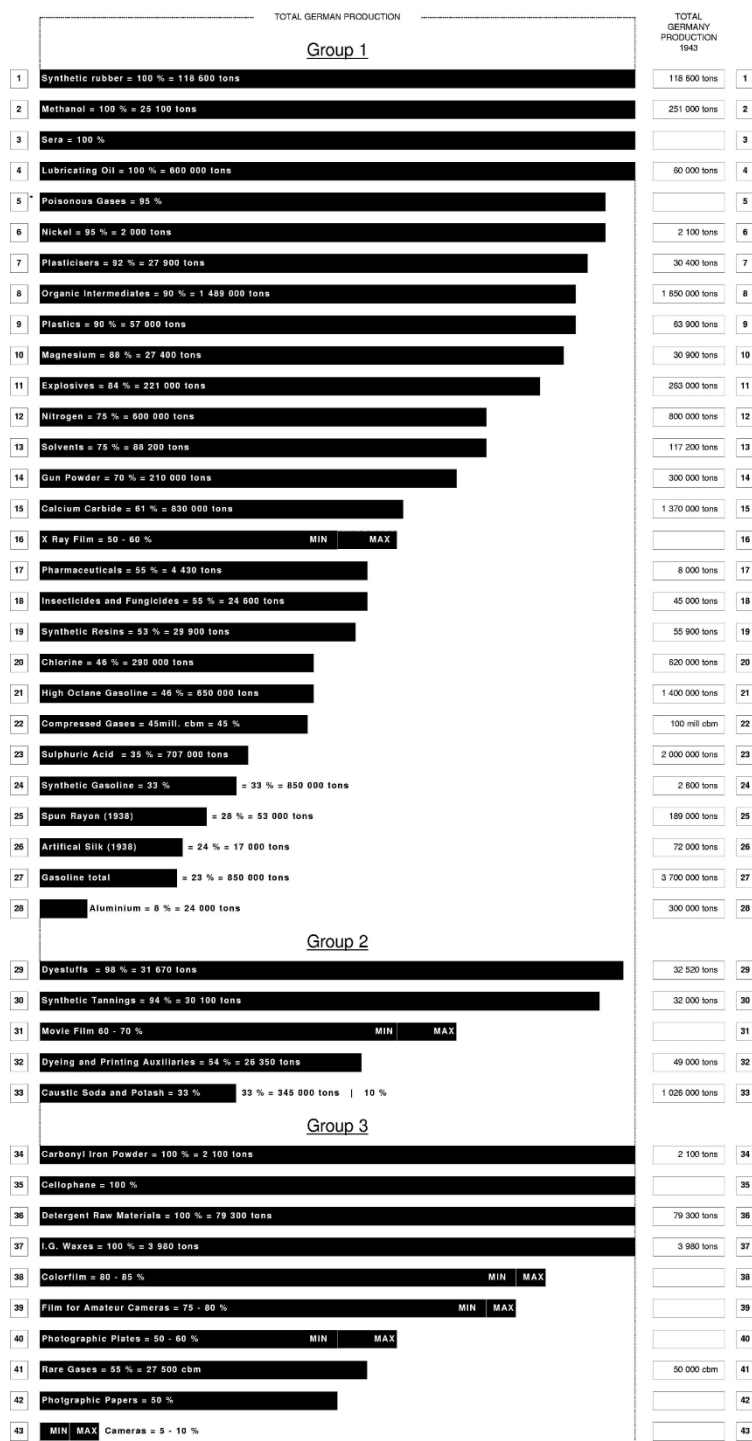
I.G. and the USA: "*Why then did the US bombers, who had been unloading their bombs on German workers, women and children for years, hesitate for such an appallingly long time to destroy the heart of the German war, the factories of I.G.? Are large hydrogenation plants really harder to hit than women and children? Or is it the case that even in the USA the belief in the inviolability of private property is greater than the belief in the inviolability of human beings?*"<sup>131</sup>

[129] BORKIN, JOSEPH: *Die unheilige Allianz der I.G. Farben; eine Interessengemeinschaft im Dritten Reich*: Frankfurt/Main, New York : Campus Verlag, 1979, 1990 (vol. 1030) - ISBN: 3-593-34251-0; Campus series, p. 74. and KÖHLER, OTTO: *... und heute die ganze Welt; The history of I.G. Farben and its fathers*. Hamburg, Zurich : Rasch und Röhrig Verlag, 1986 - ISBN 3-89438-010-1, p. 266.

[130] cf. KÖHLER, OTTO: *... and today the whole world; The history of I.G. Farben and its fathers*. Hamburg, Zurich : Rasch und Röhrig Verlag, 1986 - ISBN 3-89438-010-1, p. 264.

[131] cf. KÖHLER, OTTO: *... and today the whole world; The history of I.G. Farben and its fathers*. Hamburg, Zurich : Rasch und Röhrig Verlag, 1986 - ISBN 3-89438-010-1, p. 327.

THE WEHRMACHT's DEPENDENCE ON  
I.G. FARBEN's PRODUCTION (1943)  
(GROUPED ACCORDING TO MILITARY IMPORTANCE)

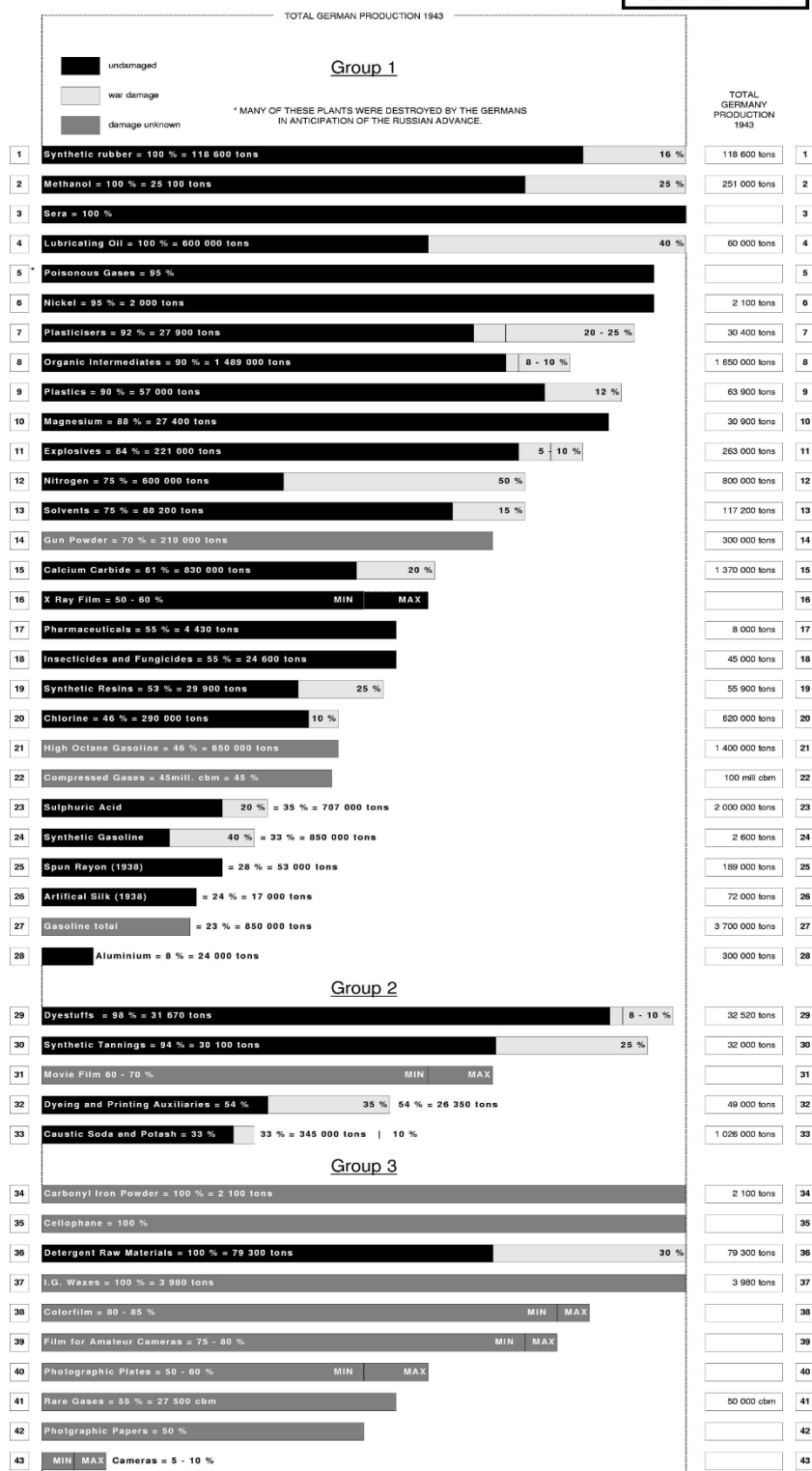


Dependence of the Wehrmacht on the production of I.G. Farben (1943)  
(grouped according to military importance)

(O.M.G.U.S.: *Investigations against I.G. Farbenindustrie A.G.* - Ed. Hans Magnus Enzensberger; Nördlingen : Verlag Franz Greno, 1986 (Special volume of the Other Library) - ISBN: 3-891-900-198)

# I. G. FARBEN'S MILITARY POTENTIAL ON VE DAY IN COMPARISON TO ITS 1943 PRODUCTION (GROUPED ACCORDING TO MILITARY IMPORTANCE)

Summer 1945



Production capacities of I.G. Farben important to the war effort at the end of the war compared with production in 1943  
(grouped according to military importance)

(O.M.G.U.S.: *Ermittlungen gegen die I.G. Farbenindustrie A.G.* - Ed. Hans Magnus Enzensberger; Nördlingen : Verlag Franz Greno, 1986 (Special volume of the Other Library) - ISBN: 3-891-900-198, p. 350f.)

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But back to the "happy times" of the I.G. and the Third Reich and the man who made this "blessing" possible with his skilful negotiations: Dr. Carl Krauch, who was portrayed as follows in 1940, when he was at the height of his power:

*"The four-year plan was created to secure Germany's supply of raw materials. Chemistry is the universal helper in this four-year plan. The main expert for chemistry within the framework of the four-year plan is a chemist. He is the same chemist who set up his cot in the middle of the assembly plant when the construction of the Leuna plant had to be completed in such an astonishingly short time. At that time, he worked day and night to ensure that everything needed for construction was there on time. He was the same chemist who was later commissioned by Carl Bosch to carry out the production of gasoline from coal on the basis of his experience with ammonia synthesis. As is well known, he also mastered this task - as well as the expansion of the Leuna plant - with ruthless personal commitment and the most generous procurement of all material resources in an astonishingly short time. The construction of the large raw materials plant of the four-year plan is now in his hands. As head of the Reich Office for Economic Expansion, he also has a sufficiently large staff of experts at his disposal, who are constantly examining many thousands of proposals from chemists and inventors and forwarding them to the departments that can implement them. The German people can rest assured: What can be organized is organized. (...)"*<sup>132</sup>

*"(...) Behind the German Wehrmacht, which is preparing for the last major attack, stands today with countless fighters the great power of chemistry, extracting raw materials, closing economic gaps in demand, coming up with many surprises that are less predictable than in all other fields of knowledge."*<sup>133</sup>

Krauch became the symbol of I.G.'s contribution to armaments. At a birthday party in his honor, Göring thanked Schmitz for giving him Krauch. When war finally broke out and Germany's Wehrmacht overran Europe, Hitler personally presented Krauch with the "Iron Cross". He called Krauch a man who had achieved great victories on the battlefield of German industry. After 1948, Prof. Dr. Dr. Carl Krauch became a member of the supervisory board of Buna Werke Hüls GmbH, Marl.

Never before in the history of warfare had **an** industrial group and **an** industrialist held such an important position in the military planning and preparation of a war. Schlieffen (see Chapter 1) was truly dead.

[132] GREILING, WALTER: *Chemists fight for Germany*. Berlin, 1940 p. 27. quoted from: KÖHLER, OTTO: *... and today the whole world; The history of I.G. Farben and its fathers*. Hamburg, Zurich : Rasch und Röhrig Verlag, 1986 - ISBN 3-89438-010-1, p. 252.

[133] quoted from: SCHREIBER, PETER WOLFRAM: *I.G. Farben, die unschuldigen Kriegsplaner; Profit aus Krisen, Kriegen und KZ's; Geschichte eines deutschen Monopols*. Stuttgart : Verlag Neuer Weg, 1978 - ISBN 3-88021-085-3, p. 89 (book review of "Chemiker kämpfen für Deutschland").

## Ein Jahr Krieg

Am 1. September jährte sich der Tag des Kriegsbeginns. Geheimrat Dr. Hermann Schmitz, Vorsitz des Vorstandes der I. G. Farbenindustrie Aktiengesellschaft, richtet aus diesem Anlaß folgende Worte an die große I. G.-Gefolgschaft:

Wenn wir auf die verflossenen zwölf Kriegsmonate zurückblicken, so gedenken wir zunächst der herrlichen Erfolge, welche die Deutsche Wehrmacht und das Deutsche Volk unter ihrem genialen Führer erzielt haben. Diese Erfolge stehen unvergleichlich in der Geschichte da. Wir gedenken aller unserer Arbeitskameraden, die zu den Fahnen gerufen wurden, insbesondere derer unter ihnen, die in diesem gewaltigen Ringen den Heldentod fanden und zu ihrer Betriebsgemeinschaft nicht zurückkehren können. Sie werden in unseren Reihen weiterleben, die Sorge um ihre Hinterbliebenen wird auch unsere Sorge sein.

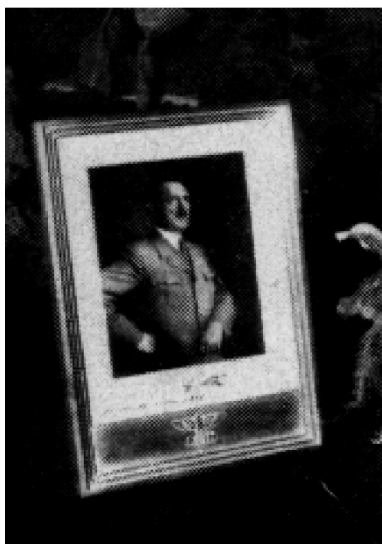
Der Krieg hat auch an unsere Betriebe in technischer und kaufmännischer Hinsicht erhöhte Aufgaben gestellt, welche die äußerste Anspannung der Arbeitskraft jedes Einzelnen bedingen. Es ist mir ein besonderes Bedürfnis, alle Mitglieder unserer Betriebsgemeinschaft voller Dankbarkeit und Anerkennung für das Geleistete zu grüßen. Nach wie vor gilt unser restloser Einsatz den Aufgaben, die unser Führer uns weiterhin stellen wird. Ihm und seinen Soldaten gilt unser aller Heimatgruß.

Heil Hitler!  
Hermann Schmitz

### Rückblick auf den 60. Geburtstag von Geheimrat Dr. Hermann Schmitz

Der Führer überlände Geheimrat Schmitz zu seinem 60. Geburtstag sein Bild mit eigenhändiger Unterschrift.

Auch sonst fand dieser Tag in den weitesten Kreisen höchsten Widerhall. Von den vielen Hunderten von Glückwünschen seien einige wiedergegeben.



### Der Einsatz der deutschen chemischen Forschung „Anorganika“ in der Kriegswirtschaft

Daß die Ergebnisse dieser Forschung die Technik von morgen bestimmen werden, ist unsere feste Überzeugung und daß hierbei die I. G. wie in der Vergangenheit so auch in Zukunft in der Lage sein werde, wertvolle Beiträge zur Entwicklung des Arbeitsfeldes „Anorganika“ zu liefern, ist unser Wunsch und unsere Hoffnung. Sie wird dann mit dazu beitragen, daß die dem deutschen Volke nach dem erkämpften Endsieg obliegenden großen und neuen Aufgaben ihre Lösung finden.

Dir. Dr. Wurster,  
I. G. Ludwigshafen-Opau

Der Führer und Reichkanzler Berlin, den 2. Januar 1941

Für Ihr freundliches Gedenken und die mir zugleich im Namen der Gefolgschaft der I. G. Farbenindustrie zum Neuen Jahre übermittelten guten Wünsche sage ich Ihnen meinen besten Dank; ich erwidere sie aufrichtig.

Mit Deutschen Gruß !

Excerpts from the I. G. Farben company magazines "Von Werk zu Werk" from September 1940 and February 1941 (SCHREIBER, PETER WOLFRAM: *I. G. Farben, die unschuldigen Kriegsplaner; Profit aus Krisen, Kriegen und KZ's; Geschichte eines deutschen Monopols*. Stuttgart : Verlag Neuer Weg, 1978 - ISBN 3-88021-085-3, p. 107)



## 4. 1939 - 1945: I.G. Farben in World War II

### 4.1. The 'synchronization' of the European chemical industry

*"War broke out in August 1939. For a company like I.G. (...), the war was the hardest blow it could have taken. Once again, as in 1914, all assets abroad were at risk, and once again the global sales organization that had been built up over 20 years was to be put at risk. Nevertheless, the I.G. did its natural duty for its country, which was struggling for its existence, to the bitter end."*

(Fritz ter Meer in his book *Die I.G. Farben* about the Second World War)

In the five years following Carl Bosch's agreement with Hitler to rearm Germany in accordance with the Krauch Plan, I.G.'s descent to the level of Nazi morality accelerated. During this time, I.G. became the largest financial backer of the NSDAP. All Jewish directors and executives were removed, and the remaining 'Aryan' representatives joined the NSDAP or joined the SS. Nazi ideology became the basis of I.G.'s business policy. Although there was initially talk of Germany becoming an economic world power, the support of this fascist regime by the economic metropolis of - in its memoranda, expert opinions and in meetings and statistically calculated figures on war armament presented in meetings with government agencies, in their recommendations and planning cooperations - all geared towards the establishment of a 'thousand-year' world domination of Germany, in line with the Nazi ideology supporting the state.<sup>134</sup> And yet the I.G. was only at the beginning of its decline. While one country after another collapsed under Hitler's reign of terror, the I.G.'s ties to the Nazis intensified. Each conquest formed the springboard for further conquests in order to move into the occupied countries in the footsteps of the Wehrmacht and build up an economic empire.<sup>135</sup> *"Like the jackal behind the lion, I.G. moved into the overrun countries behind the Wehrmacht."*<sup>136</sup> I.G.'s sales increased enormously during the years of the World War and exceeded 3 billion Reichsmarks in 1943 - an increase of around fifty-five percent compared to 1939.

[134] SCHNECKENBURGER, ARTHUR: *The history of the I.G. Farben Group; the significance and role of a major company*. Cologne : Pahl-Rugenstein, 1988 - ISBN 3-7609-5242-9, p. 87.

[135] O.M.G.U.S.: *Ermittlungen gegen die I.G. Farbenindustrie A.G.* - Ed. Hans Magnus Enzensberger; Nördlingen : Verlag Franz Greno, 1986 (Special volume of the Other Library) - ISBN: 3-891-900-198, p. 193.

[136] BORKIN, JOSEPH: *Die unheilige Allianz der I.G. Farben; eine Interessengemeinschaft im Dritten Reich*: Frankfurt/Main, New York : Campus Verlag, 1979, 1990 (Vol. 1030) - ISBN: 3-593-34251-0; Campus series, p. 91.

	Sales in millions of <sup>RM137</sup>	
	1939	1943
Gasolines and oils	162	352
Buna and plastics	90	406
Wool and artificial silk	163	219
Light metals	109	190
Pharmaceuticals and pesticides	152	294
Washing raw materials	-	42
Synth. org. Tanning agents	8	25
Photo article	137	200
Total	821	1728

#### 4.1.1. Conquests at the beginning of the war (Austria, Czechoslovakia)

The invasion of Austria on March 11, 1938 marked the beginning of Hitler's forcible expansion of German territory. Just a few days later, the I.G. was on the spot. It presented the Nazi occupation officials with a memorandum on the reorganization of Austria's chemical industry. The central component of this 'new order' was I.G.'s request for official permission to take over Austria's largest chemical company, Skoda-Werke Wetzler. I.G. promised that the takeover of the Austrian company would be in line with the objectives of the four-year plan and also with the elimination of Jewish influence on Austrian industry.

Skoda-Werke Wetzler was largely owned by the Jewish Rothschild family. They tried to thwart I.G.'s plans by persuading Montecatini (Italy) and the Aussiger Verein (Czechoslovakia) to merge with Skoda.<sup>138</sup> But neither Aussiger nor Montecatini wanted to compete against the overpowering I.G..

The Skoda works were confiscated by the Nazi rulers, which enabled I.G. to take over this company, reorganize it and, together with Carbid-Werke Deutsche Matrei AG and Dynamit Nobel AG, take complete ownership of it as a new company, 'Donau Chemie AG'.

However, in order to secure the appropriation against possible later legal attacks, I.G. Farben contacted the Rothschilds' personal representative, Josef Joham, directly. The latter was not in a position to put up any serious resistance to I.G.'s demands - combined with anti-Semitic threats to extort concessions. Thus, in the fall of 1938, I.G. was able to call the Skoda-Werke Wetzler its legitimate property.<sup>139</sup>

Czechoslovakia was next on Hitler's list. In anticipation of further "new acquisitions", the I.G. drew up a study of the chemical companies in the Sudetenland.<sup>140</sup> It was particularly interested in two factories owned by the Aussiger Verein. The Aussiger Verein

[137] Figures from: TER MEER, FRITZ: *Die I.G. Farbenindustrie Aktiengesellschaft; ihre Entstehung, Entwicklung und Bedeutung*. Düsseldorf : Econ-Verlag, 2nd edition, 1953, p. 114.

[138] Trials of War Criminals before the Nuremberg Military Tribunals, under Control Council No.10, US-Government-Printing-Office, 1953, VII, p. 1393 - Document from the American National Archives (National Archives Collection, Word War II Crimes Records) No. 9289.

[139] SCHNECKENBURGER, ARTHUR: *The history of the I.G. Farben Group; the significance and role of a major company*. Cologne : Pahl-Rugenstein, 1988 - ISBN 3-7609-5242-9, p. 93.

belonged to the European dye cartel controlled by I.G..<sup>141</sup> Since twenty-five percent of the directors of the Aussiger Verein were of non-Aryan origin, the company was considered a Jewish enterprise under the provisions of the racial laws.<sup>142</sup>

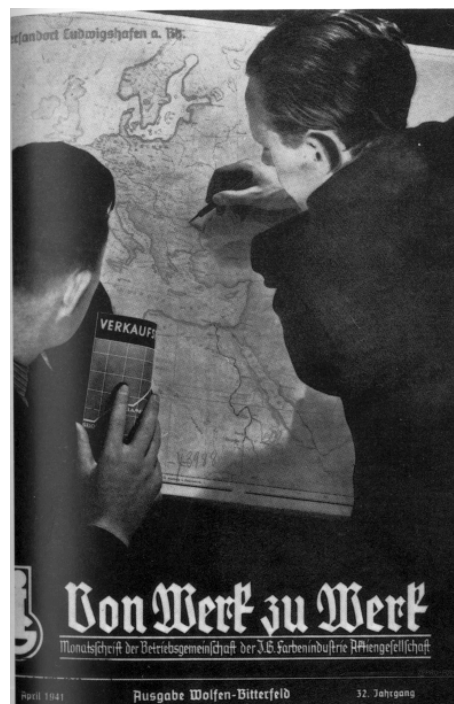
Hitler's demands for Czechoslovakia to cede the Sudetenland became increasingly outrageous in the summer of 1938. Only the two prime ministers Chamberlain and Daladier prevented the outbreak of war at this time by signing the Munich Agreement on September 29. The Sudetenland was immediately occupied by German troops.

The following day, Hitler received a telegram from Hermann Schmitz, who was in charge of I.G.'s business at the time. In this telegram, Schmitz hinted at I.G.'s interests in the Sudetenland, congratulated Hitler on his success and informed him that I.G. was making a sum of half a million Reichsmarks available for use in the Sudetenland.<sup>143</sup>

After a short time, the I.G. was already negotiating with the Aussiger Verein about the purchase of the plants in the Sudetenland.<sup>144</sup> The only defense available to the directors of the Aussiger Verein was to delay the negotiations in the hope that they would be rescued. However, the I.G. saw through this immediately. I.G. board member Georg von Schnitzler bluntly threatened that he intended to send a complaint to the German government, pointing out that "*turmoil and the breakdown of public order*" in the Sudetenland seemed inevitable. Hitler would use this accusation as an opportunity

to occupy the rest of Czechoslovakia as well.

The facilities of the Aussiger Verein were promptly "sold" the following day on the terms of the I.G..<sup>145</sup> Just a few months later, Hitler's troops marched into Prague, and after a short time the rest of Czechoslovakia was also occupied.



(O.M.G.U.S.: *Investigations against the I.G. Farbenindustrie A.G.* - Ed. Hans Magnus Enzensberger; Nördlingen : Verlag Franz Greno, 1986 (Special volume of the Other Library) - ISBN: 3-891-900-198)

- [140] Trials of War Criminals before the Nuremberg Military Tribunals, under Control Council No.10, US-Government-Printing-Office, 1953, VII, p. 1408 - Document from the American National Archives (National Archives Collection, Word War II Crimes Records) No. 9289.
- [141] Trials of War Criminals before the Nuremberg Military Tribunals, under Control Council No.10, US-Government-Printing-Office, 1953, VII, p. 153
- [142] Trials of War Criminals before the Nuremberg Military Tribunals, under Control Council No.10, US-Government-Printing-Office, 1953, VII, p. 42
- [143] Trials of War Criminals before the Nuremberg Military Tribunals, under Control Council No.10, US-Government-Printing-Office, 1953, VII, p. 591 - Document from the American National Archives (National Archives Collection, Word War II Crimes Records) No. 2795.
- [144] Trials of War Criminals before the Nuremberg Military Tribunals, under Control Council No.10, US-Government-Printing-Office, 1953, VII, p. 43.

On April 28, 1939, Field Marshal Göring, General Plenipotentiary of the Prime Minister for Special Issues of Chemical Production and I.G. Board Member Dr. Carl Krauch, gave a speech to the General Council on the importance of expansion in the southeast:

*"(...) (The) big goal will be to go beyond the Greater Germany area (...), to take the step towards "Greater Area Planning" (...), the necessary conclusions must also be drawn for the chemical industry. These are in broad terms: The creation of a unified large-scale economic bloc of the three European anti-Comintern partners, to which Yugoslavia and Bulgaria must soon be added (...). The bloc must extend its influence to Romania, Turkey and Iran (...)." Krauch even expected the "bitter end" of this impending war in the event that his demands were not met "(with the) forcible inclusion of the USSR as an area also to be secured by the Wehrmacht".<sup>146</sup>*

#### 4.1.2. Poland, beginning of World War II

Hitler's next stop was Poland. This time too, I.G. had prepared well. Max Ilgner, who prepared the creation of a European economic bloc in many ways in the I.G. Farben office, Berlin NW 7, which he headed<sup>147</sup>, drew up a list of potential "acquisitions" with the most important chemical companies in Poland.<sup>148</sup> I.G. Farben was interested in three Farben factories.

I.G. in particular: Boruta, the largest, Wola, a smaller company owned by three Jews<sup>149</sup>, and Winnica, half of which belonged to the French conglomerate owner Kuhlmann and the other half to the Swiss subsidiary of I.G., 'I.G.Chemie'. The president of Winnica was the Frenchman Joseph Frossard.<sup>150</sup>

On September 1, 1939, Germany attacked Poland. This time the Allies resisted, and the Second World War began. Georg von Schnitzler personally traveled behind the troops and telegraphed reports on the ownership and other facts regarding the Polish dye plants to the I.G. Farben office in Berlin NW 7. He also drew attention to the substantial and valuable stocks of raw materials, intermediate products and finished products held in the plants.<sup>151</sup> When Schnitzler returned from Poland a week later, he visited the Ministry of Economics to inform them that

[145] BORKIN, JOSEPH: *Die unheilige Allianz der I.G. Farben; eine Interessengemeinschaft im Dritten Reich*: Frankfurt/Main, New York : Campus Verlag, 1979, 1990 (vol. 1030) - ISBN: 3-593-34251-0; Campus series, p. 93.

[146] SCHNECKENBURGER, ARTHUR: *The history of the I.G. Farben Group; the significance and role of a major company*. Cologne : Pahl-Rugenstein, 1988 - ISBN 3-7609-5242-9, pp. 88-89.

[147] SCHNECKENBURGER, ARTHUR: *The history of the I.G. Farben Group; the significance and role of a major company*. Cologne : Pahl-Rugenstein, 1988 - ISBN 3-7609-5242-9, p. 86.

[148] Trials of War Criminals before the Nuremberg Military Tribunals, under Control Council No.10, US-Government-Printing-Office, 1953, VII, pp. 4-6 - Document from the American National Archives (National Archives Collection, Word War II Crimes Records) No. 9151, 9154, 9155.

[149] Trials of War Criminals before the Nuremberg Military Tribunals, under Control Council No.10, US-Government-Printing-Office, 1953, VII, p. 181.

[150] O.M.G.U.S.: *Ermittlungen gegen die I.G. Farbenindustrie A.G.* - Ed. Hans Magnus Enzensberger; Nördlingen : Verlag Franz Greno, 1986 (Special volume of the Other Library) - ISBN: 3-891-900-198, p. 219.

only I.G. was in a position to provide the appropriate experts to operate the Polish factories in the interests of the German economy.<sup>152</sup>

I.G. received permission for the provisional administration of the three Polish companies from General Hermann von Hanneken. However, he did not approve of the greed or the methods of I.G., whose activities in Austria and Czechoslovakia he was familiar with, and therefore warned them against a permanent appropriation of the Polish factories.<sup>153</sup>

Schnitzler was outraged by this attitude, as the I.G. was seriously interested in permanent control of the extensive Boruta facilities.<sup>154</sup> He therefore made direct contact with Hermann Göring over Hanneken's head.<sup>155</sup> However, Göring's power in Poland was threatened by an up-and-comer in the Nazi hierarchy. Heinrich Himmler, head of the SS, had a different idea about the redistribution of Polish property. Göring could no longer help the I.G. because Himmler's deputy in Poland, Brigadeführer Ulrich Greifelt, had the right to veto all sales of the confiscated Polish property in Göring's office.

The I.G. quickly adapted to the new political constellation and shifted its alliance from Göring to Himmler and Greifelt. *"Ulrich Greifelt was a worthy deputy of Himmler and exercised his power in Poland with forced sterilization of Polish men and women, abduction of children for education by the SS, enslavement of large parts of the population and mass shootings of hostages."*<sup>156,157</sup>

- [151] *The verdict in the I.G. Farben trial* - Bollwerk Verl. Drott: Offenbach a. M. 1948; p. 74f.  
O.M.G.U.S.: *Ermittlungen gegen die I.G. Farbenindustrie A.G.* - Ed. Hans Magnus Enzensberger; Nördlingen : Verlag Franz Greno, 1986 (Sonderband der Anderen Bibliothek) - ISBN: 3-891-900-198, p. 221.
- [152] Trials of War Criminals before the Nuremberg Military Tribunals, under Control Council No.10, US-Government-Printing-Office, 1953, VII, pp. 1-10 - Document from the American National Archives (National Archives Collection, Word War II Crimes Records) No. 2749.
- [153] Trials of War Criminals before the Nuremberg Military Tribunals, under Control Council No. 10, US-Government-Printing-Office, 1953, VII, p. 11 - Document from the American National Archives (National Archives Collection, Word War II Crimes Records) No. 1093.
- [154] Trials of War Criminals before the Nuremberg Military Tribunals, under Control Council No.10, US-Government-Printing-Office, 1953, VII, p. 21 - Document from the American National Archives (National Archives Collection, Word War II Crimes Records) No. 8380.
- [155] Trials of War Criminals before the Nuremberg Military Tribunals, under Control Council No.10, US-Government-Printing-Office, 1953, VIII, p. 1143. and Trials of War Criminals before the Nuremberg Military Tribunals, under Control Council No.10, US-Government-Printing-Office, 1953, VII, pp. 20-23 - Document from the American National Archives (National Archives Collection, Word War II Crimes Records) No. 8380.
- [156] BORKIN, JOSEPH: *Die unheilige Allianz der I.G. Farben; eine Interessengemeinschaft im Dritten Reich*: Frankfurt/Main, New York : Campus Verlag, 1979, 1990 (Vol. 1030) - ISBN: 3-593-34251-0; Campus series, p. 94.
- [157] Trials of War Criminals before the Nuremberg Military Tribunals, under Control Council No.10, US-Government-Printing-Office, 1953, V, pp. 154-55: Statement Greifelt.



(O.M.G.U.S.: *Investigations against the I.G. Farbenindustrie A.G.* - Ed. Hans Magnus Enzensberger; Nördlingen : Verlag Franz Greno, 1986 (Special volume of the Other Library) - ISBN: 3-891-900-198)

Schnitzler was commissioned to recruit Greifelt for I.G.. Soon afterwards, I.G. took over the Polish factories on its own terms and "*once again proved its ability to survive in the world of Nazi intrigue*".<sup>158</sup> This time, the choice of its allies was groundbreaking for the future of I.G.

In February 1940, at a time when Hitler and the I.G. were becoming increasingly indispensable to each other, Carl Bosch could no longer stand living in Hitler's Germany due to his physical and mental state and sought peace and quiet in Sicily. But his condition continued to deteriorate, so that he returned to Germany in April with no hope of recovery. On his deathbed, he predicted the imminent defeat of France. Hitler's madness would eventually lead to the downfall of Germany and the dissolution of the I.G. He died at the age of

65 years ago on April 26, 1940, two weeks before Hitler's Attack on France.<sup>159</sup>

As Bosch's towering personality no longer dominated the company, Hermann Schmitz was able to effectively take over the leadership role he had long played. Carl Krauch succeeded Bosch as Chairman of the Supervisory Board.

#### 4.1.3. France and the reorganization plan

Hitler launched his attack against France on May 9, 1940, and by June 22, it was all over. With the exception of England and the Soviet Union, the whole of Europe was in Hitler's hands. The I.G. was already waiting for its share of the spoils.

With its far-reaching international cartel relationships and foreign trade contacts, it had been gathering information about its foreign competitors and their economic wealth for years. Now that the European competitors were on the losing side, the moment seemed to have come to "*freely dispose of the riches of the European 'Greater Economic Area'*"<sup>160</sup> and to establish control over the chemical industries of Europe "*by taking over or eliminating existing competitors, by controlling the production facilities in accordance with Hitler's military intentions and by setting up cartels under German control*".

[158] BORKIN, JOSEPH: *Die unheilige Allianz der I.G. Farben; eine Interessengemeinschaft im Dritten Reich*: Frankfurt/Main, New York : Campus Verlag, 1979, 1990 (Vol. 1030) - ISBN: 3-593-34251-0; Campus series, p. 95.

[159] BORKIN, JOSEPH: *Die unheilige Allianz der I.G. Farben; eine Interessengemeinschaft im Dritten Reich*: Frankfurt/Main, New York : Campus Verlag, 1979, 1990 (Vol. 1030) - ISBN: 3-593-34251-0; Campus series, p. 95.

[160] EICHHOLTZ, D.: *Kriegswirtschaft*, Bd.I, p. 168. quoted from: SCHNECKENBURGER, ARTHUR: *Die Geschichte des I.G. Farben-Konzerns; Bedeutung und Rolle eines Großunternehmens*. Cologne : Pahl-Rugenstein, 1988 - ISBN 3-7609-5242-9, p. 102.

supremacy<sup>161</sup>. This 'reorganization plan' was intended to ensure that the German chemical industry regained and secured its global standing through measures such as tariffs, quotas, licenses, export regulation, raw material procurement and foreign exchange, currency and tax policy measures.

In this detailed plan, the I.G. demanded the takeover of the chemical industries of France, Norway, Holland, Denmark, Luxembourg and Belgium.<sup>162</sup> Even the Soviet Union, which was neutral at the time, Switzerland, which was neutral, England, which had not yet been defeated, and finally the ally Italy were included in the considerations. After a short time, the United States was also added to the list. According to the I.G., France was the key to controlling the European chemical industry. In line with the territorial and economic expansion plans of the Third Reich, the 'reorganization plan' for France included the proposal that the I.G. and the German government should jointly control and operate the French factories.<sup>163</sup> At the beginning of August, the reorganization plan of the 'Interessengemeinschaft Farben' was submitted to the Reich Ministry of Economics and met with unreserved support.<sup>164</sup>

The leaders of the French chemical industry also recognized very early on that the future of the entire French industry lay in the hands of the I.G.. They pressed for a meeting with the I.G..<sup>165</sup> The I.G. agreed to this request, but wanted to delay the start of negotiations until the winter, as the situation of French industry would have deteriorated by then. A period of uncertainty and hopelessness would soften the French position and secure the I.G.'s first place in French industry.<sup>166</sup> At the beginning of October, the situation in the French chemical industry had deteriorated so much that Joseph Frossard (see Chapter 1!), who together with René Duchemin was the head of the largest French group, the Kuhlmann Group, visited the I.G. in Frankfurt. He was certain that Germany would win the war and that the organization of the European economy would have to take place under German leadership. Frossard offered the support of the entire French

- [161] O.M.G.U.S.: *Ermittlungen gegen die I.G. Farbenindustrie A.G.* - Ed. Hans Magnus Enzensberger; Nördlingen : Verlag Franz Greno, 1986 (Special volume of the Other Library) - ISBN: 3-891-900-198, p. 263.
- [162] Trials of War Criminals before the Nuremberg Military Tribunals, under Control Council No.10, US-Government-Printing-Office, 1953, 1439 - Document from the American National Archives (National Archives Collection, Word War II Crimes Records) No. 14897.
- [163] Trials of War Criminals before the Nuremberg Military Tribunals, under Control Council No.10, US-Government-Printing-Office, 1953, VII, p. 1461
- [164] BORKIN, JOSEPH: *Die unheilige Allianz der I.G. Farben; eine Interessengemeinschaft im Dritten Reich*; Frankfurt/Main, New York : Campus Verlag, 1979, 1990 (Vol. 1030) - ISBN: 3-593-34251-0; Campus series, p. 96.
- [165] Trials of War Criminals before the Nuremberg Military Tribunals, under Control Council No.10, US-Government-Printing-Office, 1953, VIII, p. 120.
- [166] Trials of War Criminals before the Nuremberg Military Tribunals, under Control Council No.10, US-Government-Printing-Office, 1953, VIII, pp. 105-06 - Document from the American National Archives (National Archives Collection, Word War II Crimes Records) No. 6839. and also: O.M.G.U.S.: *Investigations against the I.G. Farbenindustrie A.G.* - Ed. Hans Magnus Enzensberger; Nördlingen : Verlag Franz Greno, 1986 (Special volume of the Other Library) - ISBN: 3-891-900-198, p. 229.

chemical industry in Germany's fight against England.<sup>167</sup> He virtually begged for secret cooperation with French industry under the direction of the I.G.; the I.G. could rely on him to give it everything it wanted.<sup>168</sup>

On October 24, 1940, Hitler and the French head of state Pétain met in Montoire to reach agreements on the form of French collaboration with Germany. They agreed on what Frossard had already demanded two weeks earlier for the collaboration of the I.G. with French industry: the German government should not confiscate any French companies, but allow German and French companies to come to an agreement on a private and voluntary basis.

This new arrangement met with the full approval of I.G. It now had freedom of action and would be in a position to seize majority ownership of the French chemical industry.<sup>169</sup> The French paint factories were to be merged into a group that would bear the name 'Francolor'. I.G. was to receive fifty-one percent of the shares, the French forty-nine percent. Francolor was to be limited to the French market and not allowed to export to the rest of Europe.<sup>170</sup> I.G. was to exercise unlimited financial, technical and ownership control over the French chemical industry.<sup>171</sup>

The French industry representatives protested vehemently against the I.G.'s overly harsh demands. It was agreed that the takeover of the French chemical industry by the I.G. would cause difficulties. Factories that were indispensable for France's defense would then be in the hands of the Germans. They also feared that if the negotiations were broken off, I.G. would ensure the permanent closure of French factories by cutting them off from the supply of raw materials, coal and electricity. Despite these considerations, the French government formally rejected I.G.'s demand in December.<sup>172</sup>

- [167] Hearing before an investigative committee of the Committee on Military Affairs, US Senate, 79th Congress, 1st session (1945) in implementation of Senate Resolutions 107 and 146, "Elimination of German Resources of War", Part X, pp. 1388-89, Exhibit No. 37, Report of Dr. Kramer on a conference with Frossard (from: BORKIN, JOSEPH: *Die unheilige Allianz der I.G. Farben; eine Interessengemeinschaft im Dritten Reich*: Frankfurt/Main, New York : Campus Verlag, 1979, 1990 (Vol. 1030) - ISBN: 3-593-34251-0; Campus series)
- [168] BORKIN, JOSEPH: *Die unheilige Allianz der I.G. Farben; eine Interessengemeinschaft im Dritten Reich*: Frankfurt/Main, New York : Campus Verlag, 1979, 1990 (vol. 1030) - ISBN: 3-593-34251-0; Campus series, p. 97.
- [169] Trials of War Criminals before the Nuremberg Military Tribunals, under Control Council No.10, US-Government-Printing-Office, 1953, VIII, pp. 105-06: Exhibit No. 39, Interrogation of Georg von Schnitzler.
- [170] Trials of War Criminals before the Nuremberg Military Tribunals, under Control Council No.10, US-Government-Printing-Office, 1953, VII, p. 47: Statement of Claim, point 2 of the indictment.
- [171] Trials of War Criminals before the Nuremberg Military Tribunals, under Control Council No.10, US-Government-Printing-Office, 1953, VIII, pp. 123-24 - Document from the American National Archives (National Archives Collection, Word War II Crimes Records) No. 6727.
- [172] BORKIN, JOSEPH: *Die unheilige Allianz der I.G. Farben; eine Interessengemeinschaft im Dritten Reich*: Frankfurt/Main, New York : Campus Verlag, 1979, 1990 (vol. 1030) - ISBN: 3-593-34251-0; Campus series, p. 100.



The I.G. now tried to lure the French with compensation in the form of a minimal stake in the I.G. shares.<sup>173</sup> At the same time, however, it threatened that in the event of a final rejection of its plan, the French factories would be classified as Jewish companies and all the factories would then be confiscated by the German authorities. The fact that the Jew Raymond Berr had been managing director of the Kuhlmann factories before the German occupation was sufficient for this classification.<sup>174</sup>

In the face of increasingly massive and ugly threats, the resistance of French industrialists waned, and by the summer of 1941 the final agreement had already been largely worked out. The I.G. was to be given control of all manufacturing plants in France and of foreign production facilities located in territories occupied by Germany. This agreement also included the French share in the former Polish factory Winnica, whose supervisory board chairman was Frossard.

The I.G.'s lawyer also insisted that the preamble to the Francolor Agreement, which emphasized that *"the French Government, under pressure, grants participation in the French chemical industry"*<sup>175</sup>, be amended: *"The French Government recognizes the legality of the present contract, which need not comply with the future or present laws of France."*<sup>176</sup> In this way, the I.G. wanted to avoid the French demanding the 'dissolution of the agreement' at some point in the future because the contract had been concluded under reprisals.<sup>177</sup>

On November 18, 1941, Georg von Schnitzler and Fritz ter Meer signed the Francolor Agreement in Paris on behalf of I.G., Duchemin (Kuhlmann), Thesmar (St. Denis) and Frossard (St. Clair-du-Rhône) on behalf of French industry. The French companies transferred their dyestuffs and intermediates plants to I.G. Francolor, including land and real estate, patents, licenses, foreign shareholdings, manufacturing processes and shares. I.G. received 51% of the shares in the capital value of Francolor, which was set at 800 billion francs. In return, I.G. gave the French companies an I.G. shareholding of less than 1%. The Frenchman Frossard was elected president of Francolor.<sup>178</sup>

- [173] Trials of War Criminals before the Nuremberg Military Tribunals, under Control Council No.10, US-Government-Printing-Office, 1953, VII, p. 47: Statement of Claim, point 2 of the indictment.
- [174] Document from the American National Archives (National Archives Collection, Word War II Crimes Records) No. 4889, p. 12: Affidavit of René Duchemin (from: BORKIN, JOSEPH: *Die unheilige Allianz der I.G. Farben; eine Interessengemeinschaft im Dritten Reich*: Frankfurt/Main, New York : Campus Verlag, 1979, 1990 (Vol. 1030) - ISBN: 3-593-34251-0; Campus series)
- [175] Trials of War Criminals before the Nuremberg Military Tribunals, under Control Council No.10, US-Government-Printing-Office, 1953, VIII, p. 136 - Document from the American National Archives (National Archives Collection, Word War II Crimes Records) No. 15219.
- [176] Trials of War Criminals before the Nuremberg Military Tribunals, under Control Council No.10, US-Government-Printing-Office, 1953, VIII, p. 141 - Document from the American National Archives (National Archives Collection, Word War II Crimes Records) No. 6845: Excerpts from the founding treaty of Francolor.
- [177] BORKIN, JOSEPH: *Die unheilige Allianz der I.G. Farben; eine Interessengemeinschaft im Dritten Reich*: Frankfurt/Main, New York : Campus Verlag, 1979, 1990 (Vol. 1030) - ISBN: 3-593-34251-0; Campus series, p. 103.

Joseph Frossard played his role for the I.G. well. When Hitler's war on two fronts began to decimate Germany's labor pool, replacements were sought in the occupied territories. Krauch tried to recruit workers in France. Initially, the venture was a miserable failure. They had expected 350,000 workers, but only managed to recruit 36,000.<sup>179</sup>

Krauch finally recalled his experience in rebuilding the Oppau factory. At the time, he had negotiated with companies all over Germany and persuaded them to send complete work teams to rebuild the plant.

In a letter to Schnitzler, he explained his plan that the French workers would remain employees of their parent company and return to France after completing their assignment. He was delighted that Frossard also liked this new method of 'closed units'. Frossard had concluded a contract with I.G. Ludwigshafen on his own initiative. It was to be hoped that more Francolor workers would soon be sent to Germany.<sup>180</sup>

The French workers quickly learned that 'closed units' was a euphemistic euphemism for the word 'slave labor'. In a fit of gallows humor, one I.G. representative referred to the French with whom he was negotiating the recruitment of workers as '*slave traders*'.<sup>181</sup>

*"The crime of slavery was now committed much more efficiently and on a larger scale than during the First World War. But that was to be only the beginning of the dimensions of this enterprise."*<sup>182</sup>

## 4.2. Slave labor and the community of interest - Auschwitz

Even during the First World War, I.G. knew how to make use of the labor potential of occupied countries. In 1916, Carl Duisberg suggested to the Supreme Army Command that *"the Belgian labor pool should be opened up"*. *"By mid-November 1916, the German occupiers had captured 40,000 Belgian men and deported them to German factories and mines. Every day 2000 more were added. Search parties raided houses, theaters and markets. A total of 60,000 people were deported."*<sup>183</sup>

- [178] Trials of War Criminals before the Nuremberg Military Tribunals, under Control Council No.10, US-Government-Printing-Office, 1953, VIII, p. 145 - Document from the American National Archives (National Archives Collection, Word War II Crimes Records) No. 6845: Excerpts from the founding treaty of Francolor.
- [179] Trials of War Criminals before the Nuremberg Military Tribunals, under Control Council No.10, US-Government-Printing-Office, 1953, VIII, p. 1150.
- [180] BORKIN, JOSEPH: *Die unheilige Allianz der I.G. Farben; eine Interessengemeinschaft im Dritten Reich*: Frankfurt/Main, New York : Campus Verlag, 1979, 1990 (Vol. 1030) - ISBN: 3-593-34251-0; Campus series, p. 104.
- [181] Trials of War Criminals before the Nuremberg Military Tribunals, under Control Council No.10, US-Government-Printing-Office, 1953, VII, p. 52.
- [182] BORKIN, JOSEPH: *Die unheilige Allianz der I.G. Farben; eine Interessengemeinschaft im Dritten Reich*: Frankfurt/Main, New York : Campus Verlag, 1979, 1990 (Vol. 1030) - ISBN: 3-593-34251-0; Campus series, p. 104.
- [183] BORKIN, JOSEPH: *Die unheilige Allianz der I.G. Farben; eine Interessengemeinschaft im Dritten Reich*: Frankfurt/Main, New York : Campus Verlag, 1979, 1990 (Vol. 1030) - ISBN: 3-593-34251-0; Campus series, pp. 28-29.

However, the forced labor program proved to be unproductive. The deported Belgians refused to work despite promises and threats. The strong interest of the world public prohibited strict disciplinary measures; the project was aborted and the Belgians were brought back home.

At the beginning of the Second World War, Carl Krauch and Georg von Schnitzler ordered so-called 'closed units' from the Francolor factories managed by Joseph Frossard, which were to carry out regular 'slave labor' in the German I.G. factories and later return to France.<sup>184</sup>

#### 4.2.1. Construction of the Buna plants in Auschwitz

In order to make Hitler's invasion of the Soviet Union possible, the war planners also set about demanding an increase in production capacity for Buna from I.G. Farben.<sup>185</sup> The Reich Ministry of Economics immediately summoned Fritz ter Meer and Otto Ambros to a secret conference at which they were informed that they wanted Buna capacity to be increased as quickly as possible.<sup>186</sup>

New factories had to be built in order to make the production desired by the Ministry possible. The factories still to be built and the existing factories in Hüls and Schkopau were to increase I.G. production to 150,000 tons per year, enough to enable the attack on the Soviet Union. The I.G. representatives were assured that the German government would support the expansion to the best of its ability.<sup>187</sup> It was appropriate to carry out the necessary work quickly. In his capacity as

General Plenipotentiary for Special Issues in Chemical Production, Carl Krauch ordered the immediate construction of one of the two new plants, which was to work together with the existing high-pressure plants in Ludwigshafen. The construction of the second plant was to begin as soon as a suitable location had been found. Krauch was thinking of Norway or Silesia.<sup>188</sup>

Krauch sent Otto Ambros, one of I.G.'s most talented chemists, to Silesia in order to explore the terrain. Ambros had joined I.G. in 1926 and was sent to Sumatra, where he spent a year researching the chemistry of natural rubber. By 1935, he had worked his way up to the top of the I.G.'s rubber experts. Under the guidance of Richard Willstätter

[184] BORKIN, JOSEPH: *Die unheilige Allianz der I.G. Farben; eine Interessengemeinschaft im Dritten Reich*: Frankfurt/Main, New York : Campus Verlag, 1979, 1990 (Vol. 1030) - ISBN: 3-593-34251-0; Campus series, p. 104.

[185] SCHNECKENBURGER, ARTHUR: *The history of the I.G. Farben Group; the significance and role of a major company*. Cologne : Pahl-Rugenstein, 1988 - ISBN 3-7609-5242-9, pp. 104-105.

[186] Trials of War Criminals before the Nuremberg Military Tribunals, under Control Council No.10, US-Government-Printing-Office, 1953, VIII, pp. 330-331 - Document from the American National Archives (National Archives Collection, Word War II Crimes Records) No. 11781: Letter from the Ministry of Economics to I.G. Farben dated November 8, 1940.

[187] BORKIN, JOSEPH: *Die unheilige Allianz der I.G. Farben; eine Interessengemeinschaft im Dritten Reich*: Frankfurt/Main, New York : Campus Verlag, 1979, 1990 (vol. 1030) - ISBN: 3-593-34251-0; Campus series, p. 108.

[188] BORKIN, JOSEPH: *Die unheilige Allianz der I.G. Farben; eine Interessengemeinschaft im Dritten Reich*: Frankfurt/Main, New York : Campus Verlag, 1979, 1990 (Vol. 1030) - ISBN: 3-593-34251-0; Campus series, p. 108.

he wrote his doctoral thesis.<sup>189</sup> *"Ambros received formal recognition of his achievements from Carl Bosch when the latter entrusted him with the construction and management of the first large Buna plant in Schkopau. Ambros became I.G.'s expert on Buna and poison gas."*<sup>190</sup>

Ambros personally made a detailed assessment of the possible Silesian locations and finally recommended one that seemed particularly suitable. There was a coal mine nearby, and the confluence of three rivers guaranteed a sufficient water supply. The Reichsbahn, the highway and the three rivers offered excellent transport connections.<sup>191</sup> The Silesian location also offered an overwhelming advantage: the SS had far-reaching expansion plans for a nearby concentration camp. *"The prospect of an unlimited supply of forced laborers was too tempting."*<sup>192,193,194</sup> Krauch enthusiastically agreed to this location, as the population in Norway was already in revolt against the brutal methods of the German occupiers. The name of the Polish village chosen as the location for this fourth and largest I.G. Buna plant was Oswiecim, or Auschwitz.<sup>195</sup>

From a technical and economic point of view, it seemed sensible to add an oil synthesis plant to the Buna factory, as both production processes are based on high-pressure chemistry.

Accordingly, plans were made for a large hydrogenation plant to convert coal into oil with a monthly capacity of 778,000 tons. The I.G. directors elected Ambros as head of the Buna plant and Heinrich Bütetisch as head of the fuel factory in Auschwitz.<sup>196</sup>

- [189] BORKIN, JOSEPH: *Die unheilige Allianz der I.G. Farben; eine Interessengemeinschaft im Dritten Reich*: Frankfurt/Main, New York : Campus Verlag, 1979, 1990 (vol. 1030) - ISBN: 3-593-34251-0; Campus series, p. 108.
- [190] BORKIN, JOSEPH: *Die unheilige Allianz der I.G. Farben; eine Interessengemeinschaft im Dritten Reich*: Frankfurt/Main, New York : Campus Verlag, 1979, 1990 (vol. 1030) - ISBN: 3-593-34251-0; Campus series, p. 109.
- [191] BORKIN, JOSEPH: *Die unheilige Allianz der I.G. Farben; eine Interessengemeinschaft im Dritten Reich*: Frankfurt/Main, New York : Campus Verlag, 1979, 1990 (vol. 1030) - ISBN: 3-593-34251-0; Campus series, p. 109.
- [192] BORKIN, JOSEPH: *Die unheilige Allianz der I.G. Farben; eine Interessengemeinschaft im Dritten Reich*: Frankfurt/Main, New York : Campus Verlag, 1979, 1990 (Vol. 1030) - ISBN: 3-593-34251-0; Campus series, p. 108. and Trials of War Criminals before the Nuremberg Military Tribunals, under Control Council No.10, US-Government-Printing-Office, 1953, VIII, pp. 336-338 - Document from the American National Archives (National Archives Collection, Word War II Crimes Records) No. 11784: Report on a conference between the representatives of I.G. Farben and the Schlesien-Benzin-Gesellschaft on January 18, 1941.
- [193] SCHNECKENBURGER, ARTHUR: *The history of the I.G. Farben Group; the significance and role of a major company*. Cologne : Pahl-Rugenstein, 1988 - ISBN 3-7609-5242-9, p. 105f.
- [194] see: SCHULTHEIS, JÜRGEN: November 1940, a family dinner conversation. In: *Frankfurter Rundschau*, 02.11.1993. The article quotes the contemporary witness Hans Deichmann (representative of the Plenipotentiary General for Special Issues of Chemical Production): Fritz ter Meer and Georg von Schnitzler had discussed *"where the new Buna plant should appropriately be located"*. (...) *"They came to the conclusion that the right place was Auschwitz, because the concentration camp was there and a certain number of workers could always be counted on."*
- [195] SCHNECKENBURGER, ARTHUR: *The history of the I.G. Farben Group; the significance and role of a major company*. Cologne : Pahl-Rugenstein, 1988 - ISBN 3-7609-5242-9, p. 105.

As the attack on the Soviet Union was imminent, I.G. was concerned with the immense profits it expected to make by opening up the market in the East. The exploitation opportunities in Asia and the Soviet Union made the project in Auschwitz appear so promising that I.G. took an unusual risk. Instead of subsidizing the company through the state, the directors decided to bear the full risk themselves and to set up I.G. Auschwitz as a purely private enterprise. Almost without dissenting votes, it was decided to invest 900 million Reichsmarks in this single object within I.G..<sup>197</sup>

Krauch had already begun to secure labor for the construction of I.G. Auschwitz. He had prompted Göring to write a letter to Himmler. In this letter dated

On February 18, 1941, Göring requested that the largest possible number of construction workers from the adjacent concentration camp be assigned to the Buna plant. Between eight and twelve thousand construction and assembly workers were needed.<sup>198</sup> Based on this request, Himmler ordered the SS Inspector of Concentration Camps and the SS Economic and Administrative Main Office to contact the construction manager of the Buna factory immediately and to support the project to the best of his ability by deploying prisoners.<sup>199</sup>

- [196] BORKIN, JOSEPH: *Die unheilige Allianz der I.G. Farben; eine Interessengemeinschaft im Dritten Reich*: Frankfurt/Main, New York : Campus Verlag, 1979, 1990 (vol. 1030) - ISBN: 3-593-34251-0; Campus series, p. 109.
- [197] BORKIN, JOSEPH: *Die unheilige Allianz der I.G. Farben; eine Interessengemeinschaft im Dritten Reich*: Frankfurt/Main, New York : Campus Verlag, 1979, 1990 (vol. 1030) - ISBN: 3-593-34251-0; Campus series, p. 109.
- [198] Trials of War Criminals before the Nuremberg Military Tribunals, under Control Council No.10, US-Government-Printing-Office, 1953, VIII, pp. 354-355 - Document from the American National Archives (National Archives Collection, Word War II Crimes Records) No. 1240: Letter from Göring to Himmler dated February 18, 1941.
- [199] BORKIN, JOSEPH: *Die unheilige Allianz der I.G. Farben; eine Interessengemeinschaft im Dritten Reich*: Frankfurt/Main, New York : Campus Verlag, 1979, 1990 (vol. 1030) - ISBN: 3-593-34251-0; Campus series, p. 110.

DOCUMENT NO. NI - 11086  
CONT'D.

(Seite 1 des Originals - Fortsetzung)

Auf meinen Antrag und auf Weisung des Herrn Reichsmarschalls hat der Reichsfuehrer SS unter dem 26. Februar ds. Js. folgendes angeordnet:

- 1.) Die Juden in Auschwitz sind raschestens auszusiedeln, ihre Wohnungen sind freizumachen und fuer die Unterbringung der Bauarbeiterschaft des Bunawerkes sicherzustellen.
- 2.) Aus der Gegend von Auschwitz duerfen keinerlei als Arbeiter oder Bauarbeiter fuer das Bunawerk in Frage kommende Polen ausgewiesen werden.
- 3.) Der Inspekteur der Konzentrationslager und der Chef des V - und W-Hauptamtes ist angewiesen, an Ort und Stelle sofort mit dem Bauleiter des Bunawerkes in Verbindung zu treten und das Bauvorhaben durch die Gefangenen aus dem Konzentrationslager in jedem nur moeglichem Umfang zu unterstuetzen.

- 4.) Fuer alle Fragen, die das Werk Auschwitz betreffen, ist der Chef des persoennlichen Stabes des Reichsfuehrers SS, SS-Gruppenfuehrer Wolf, zustaeendig, der als Verbindungsmann zwischen dem Reichsfuehrer SS und dem Werk Auschwitz bestimmt ist.

Diese Veruegungen sind so weitgehend, dass ich Sie bitte, in moeglichst umfangreichem Masse und moeglichst bald davon Gebrauch zu machen.

Im Auftrag  
gez.: Wick  
" A CERTIFIED TRUE COPY "  
- Pa- END -

DOCUMENT NO. NI - 11086  
OFFICE OF CHIEF OF COUNSEL  
FOR WAR CRIMES

Der Beauftragte fuer den Vierjahresplan  
Der Generalbevollmaechtigte  
fuer Sonderfragen der chemischen  
Erzeugung

5/247

Berlin W 9., den 4. Maerz 1941

Saarlandstrasse 126

Fernsprecher: 12 00 46

Fernschreiber: K 1-113

Drahtanschrift: Gebechem

Stempel: Buero Dr. Ambros

Tag. 7. Maerz. 1941

Nr. 61

Tgb.Nr. 1593/41 G.Rs.

Bezug:

Betr.: Bunawerk IV Auschwitz

Stempel: Geheime Reichssache!

1. Dies ist ein Staatsgeheimnis im Sinne des Par. 58 RStGB
2. Nur von Hand zu Hand oder an persoennliche Anschrift in doppeltem Umschlage gegen Empfangsbescheinigung weitergeben.
3. Befoerderung moeglichst durch Kurier oder Vertrauensperson; bei Postbefoerderung unter Wertangabe von mehr als 1000 RM.
4. Vervielfaeltigung jeder Art sowie Herstellung von Auszuegen verboten.
5. Aufbewahrung unter Verantwortung des Empfaengers im Panzerschrank, ausnahmsweise in Stahlspind mit Kunstschloss.
6. Verluste hiergegen ziehen schwerste Strafen nach sich.

Firma

I.G. Farbenindustrie Aktiengesellschaft,  
z. Hd. von Herrn Direktor Dr. Ambros,

Ludwigshafen / Rhein

Herrn Dir. Dr. ter Meer  
" Dir. A. Buetevisch  
" Obering. Santo  
" " D.E. Duerrfeld  
" " Faust  
" " Dr. Eisfeld

- 1 -

Message from Carl Krauch to Otto Ambros

(Working Group of Former Prisoners of the Auschwitz Concentration Camp at the Committee of Anti-Fascist Resistance Fighters in the GDR (ed.): *I.G. Farben, Auschwitz, Massenmord; über die Blutschuld der I.G. Farben; Dokumentation zum Auschwitzprozess*. Berlin, GDR 1964, p. 13).

So that no  
Misunderstandings about  
the priority  
of the I.G. Auschwitz  
project could arise could  
arise, Himmler appointed  
the head of his  
personal staff, SS Group  
Leader Karl Wolf, as  
the liaison officer  
between the SS and the I.G..<sup>200</sup>  
To discuss details of the  
cooperation between the  
concentration camp and the  
I.G., Wolf and Bütelfisch, who  
in addition to being a chemist  
also the rank  
of Obersturmbannführer in the  
SS in the SS, on  
March 20, 1941. They agreed  
This is based on the fact that  
the I.G. of the SS averaged  
RM 5.30

Calculation by the SS on the hiring out of concentration camp prisoners to industry			
Average daily rental wage		RM	6,-
deduct. defendant	RM 0.10		
Amort. deduct.	<u>RM 0.60</u>	<u>RM 0.70</u>	
nutrition average			
Lifespan 9 Mt. = 270 ×		RM 5.30	= RM 1431,-
proceeds from rational utilization of corpses			
1. Dental gold			
2. Clothing			
3. Valuables			
4. Money			
less incineration costs average	RM 2,-		
net profit		<u>RM</u>	<u>200,-</u>
Total profit after 9 months		<u>RM</u>	<u>1631,-</u>
plus proceeds from bones and ash recycling			

per day for a skilled worker.<sup>201</sup> When determining the payment, which the SS put in its own pocket, it was assumed that a prisoner would not have the same working capacity as a German worker on a normal diet. No more than seventy-five percent of the workload was expected.<sup>202</sup>

But not only prisoners were to work on the construction site. A former Auschwitz inmate later testified: *"We also worked for I.G. Farben, which employed around 40,000 civilians, Poles, Ukrainians, French, etc., 10,000 camp prisoners and 400 to 500 English prisoners of war."*<sup>203</sup>

- [200] Trials of War Criminals before the Nuremberg Military Tribunals, under Control Council No.10, US-Government-Printing-Office, 1953, VIII, pp. 356-357 - Document from the American National Archives (National Archives Collection, Word War II Crimes Records) No. 11086: Letter from Krauch to Ambros, signed by Wirth, March 4, 1941.
- [201] KOGON, EUGEN: *The SS State; The System of German Concentration Camps*. Munich : Karl Alber Verlag 1946 or later editions, pp. 357-358, Calculation by the SS on the hiring out of concentration camp prisoners to industry.
- [202] Trials of War Criminals before the Nuremberg Military Tribunals, under Control Council No. 10, US-Government-Printing-Office, 1953, VIII, pp. 373-376 - Document from the American National Archives (National Archives Collection, Word War II Crimes Records) No. 15148: Report on a conference between representatives of the I.G. and the camp administration of the Auschwitz concentration camp on March 27, 1941, p. 374.
- [203] Quote from Pierre Ardit, prisoner in Auschwitz, later Monowitz from: French Office of the War Crimes Information Service: *Concentration Camp Document F321 for the Nuremberg International Tribunal*. Frankfurt/Main : Zweitausendeins, 1st edition 1978/2nd edition 1991. (Original title: *Camps de Concentration. Crimes contre la Personne Humaine*; Office Francais d'Édition, Paris 1945), p. 89.

A week after the preliminary talks, a conference was held in Auschwitz, which was attended by the chief engineer Dürrfeld, his deputy Max Faust and the camp commandant, Obersturmbannführer Rudolf Höß. Höß assured Dürrfeld that the I.G. would be given preferential treatment in the allocation of 'Kapos', who were to supervise and punish the <sup>workers</sup><sup>204</sup>. These 'Kapos' would be selected from among the professional criminals and transferred to Auschwitz from other concentration camps, Dürrfeld wrote to his superiors Ambros and Bütetisch.<sup>205</sup>

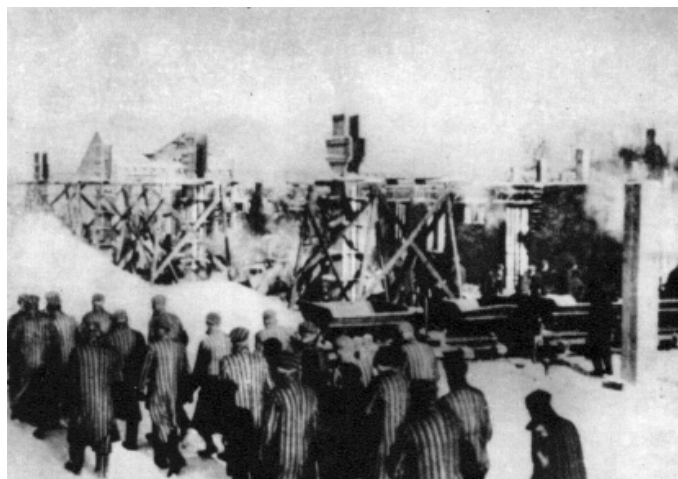
During an inspection of the I.G. Auschwitz complex a few weeks later, Himmler also gave assurances of his personal support for the project. He guaranteed the I.G. the immediate provision of 10,000 camp inmates.<sup>206</sup> Ambros wrote to ter Meer at the I.G. headquarters in Frankfurt: "(...) *The friendship with the SS (is) having a very beneficial effect. On the occasion of a dinner given to us by the management of the concentration camp, we have further determined measures concerning the activation of the really excellent operation of the concentration camp for the benefit of the Buna works.*"<sup>207</sup>

However, despite the support of the SS, the company was repeatedly hampered by supply bottlenecks and technical breakdowns. As the difficulties began to accumulate, it was feared that the facilities would not be completed soon enough to be of use to German armaments.<sup>208</sup> The leading I.G. employees on site initially placed the main blame on the SS: as the constant <sup>punitive</sup> measures<sup>209</sup> had a demoralizing effect on

- [204] cf: French Office of the War Crimes Information Service: *Konzentrationslager Dokument F321 für den Internationalen Gerichtshof Nürnberg*. Frankfurt/Main : Zweitausendeins, 1st edition 1978/2nd edition 1991. (Original title: Camps de Concentration. Crimes contre la Personne Humaine; Office Francais d'Édition, Paris 1945),  
p. 50 ff: Eyewitness accounts by former concentration camp inmates about the administration and camp regulations.
- [205] Trials of War Criminals before the Nuremberg Military Tribunals, under Control Council No. 10, US-Government-Printing-Office, 1953, VIII, pp. 374-375 - Document from the American National Archives (National Archives Collection, Word War II Crimes Records) No. 15148: Report on a conference between representatives of the I.G. and the camp administration of the Auschwitz concentration camp on March 27, 1941.
- [206] Document from the American National Archives (National Archives Collection, Word War II Crimes Records) No. 034, p. 4: Sworn statement by Rudolf Franz Ferdinand Höß. (from: BORKIN, JOSEPH: *Die unheilige Allianz der I.G. Farben; eine Interessengemeinschaft im Dritten Reich*: Frankfurt/Main, New York : Campus Verlag, 1979, 1990 (vol. 1030) - ISBN: 3-593-34251-0; Campus series)
- [207] from a letter from Otto Ambros to the Frankfurt I.G. headquarters dated April 12, 1941. quoted from: SCHNECKENBURGER, ARTHUR: *Die Geschichte des I.G. Farben-Konzerns; Bedeutung und Rolle eines Großunternehmens*. Cologne : Pahl-Rugenstein, 1988 - ISBN 3-7609-5242-9, p. 107.
- [208] BORKIN, JOSEPH: *Die unheilige Allianz der I.G. Farben; eine Interessengemeinschaft im Dritten Reich*: Frankfurt/Main, New York : Campus Verlag, 1979, 1990 (vol. 1030) - ISBN: 3-593-34251-0; Campus series, p. 111.
- [209] cf: French Office of the War Crimes Information Service: *Konzentrationslager Dokument F321 für den Internationalen Gerichtshof Nürnberg*. Frankfurt/Main : Zweitausendeins, 1st edition 1978/2nd edition 1991. (Original title: Camps de Concentration. Crimes contre la Personne Humaine; Office Francais d'Édition, Paris 1945),  
pp. 78ff: Eyewitness accounts of former concentration camp prisoners about punishments and torture.



The prisoners had asked that these punitive measures no longer be carried out on the construction site, but in the camp.<sup>210</sup> A few months later, the blame was placed elsewhere: the work performance of the Poles and prisoners in particular left a lot to be desired. Experience had shown that these people could only be made to work by brutal force.<sup>211</sup>



Prisoners on their way to work at the I.G.  
Farben factory

(*Auschwitz: fascist extermination camp*. Warsaw : Polska Agencja  
Interpress, 2nd edition 1981 - ISBN 83-223-  
1913-4)

- [210] Trials of War Criminals before the Nuremberg Military Tribunals, under Control Council No. 10, US-Government-Printing-Office, 1953, VIII, pp. 392-393 - Document from the American National Archives (National Archives Collection, Word War II Crimes Records) No. 14543: Excerpt from the weekly report of I.G. Auschwitz for the period from August 3-9, 1941.
- [211] Trials of War Criminals before the Nuremberg Military Tribunals, under Control Council No. 10, US-Government-Printing-Office, 1953, VIII, pp. 404-405 - Document from the American National Archives (National Archives Collection, Word War II Crimes Records) No. 14556: Excerpt from the weekly report of I.G. Auschwitz for the period from December 15-21, 1941, p. 405. see also DuBois, p. 208.

DR. OTTO AMBROS  
I.G. FARBENINDUSTRIE AKTIENGESELLSCHAFT

LUDWIGSHAFEN A RH 12 April 1941/Si  
Fernsprecher 6498

An die Herren  
Direktor Dr. ter Meer  
Direktor Dr. Struß  
I.G. - Frankfurt

Sehr geehrte Herren!

In Anlage übersende ich Ihnen die Berichte über unsere Baubesprechungen, die regelmäßig wöchentlich einmal unter meiner Leitung stattfinden

Sie entnehmen daraus die organisatorische Regelung und vor allem den Beginn unserer Tätigkeit im Osten

Inzwischen fand auch am 7.4. die konstituierende Gründungssitzung in Kattowitz statt, die im großen und ganzen befriedigend verlief. Gewisse Widerstände von kleinen Amtsschimmel konnten schnell beseitigt werden.

Dr. Eckell hat sich dabei sehr bewährt und außerdem wirkt sich unsere neue Freundschaft mit der SS sehr segensreich aus.

Anlässlich eines Abendessens, das uns die Leitung des Konzentrationslagers gab, haben wir weiterhin alle Maßnahmen festgelegt, welche die Einschaltung des wirklich hervorragenden Betriebs des KZ-Lagers zugunsten der Buna-Werke betreffen

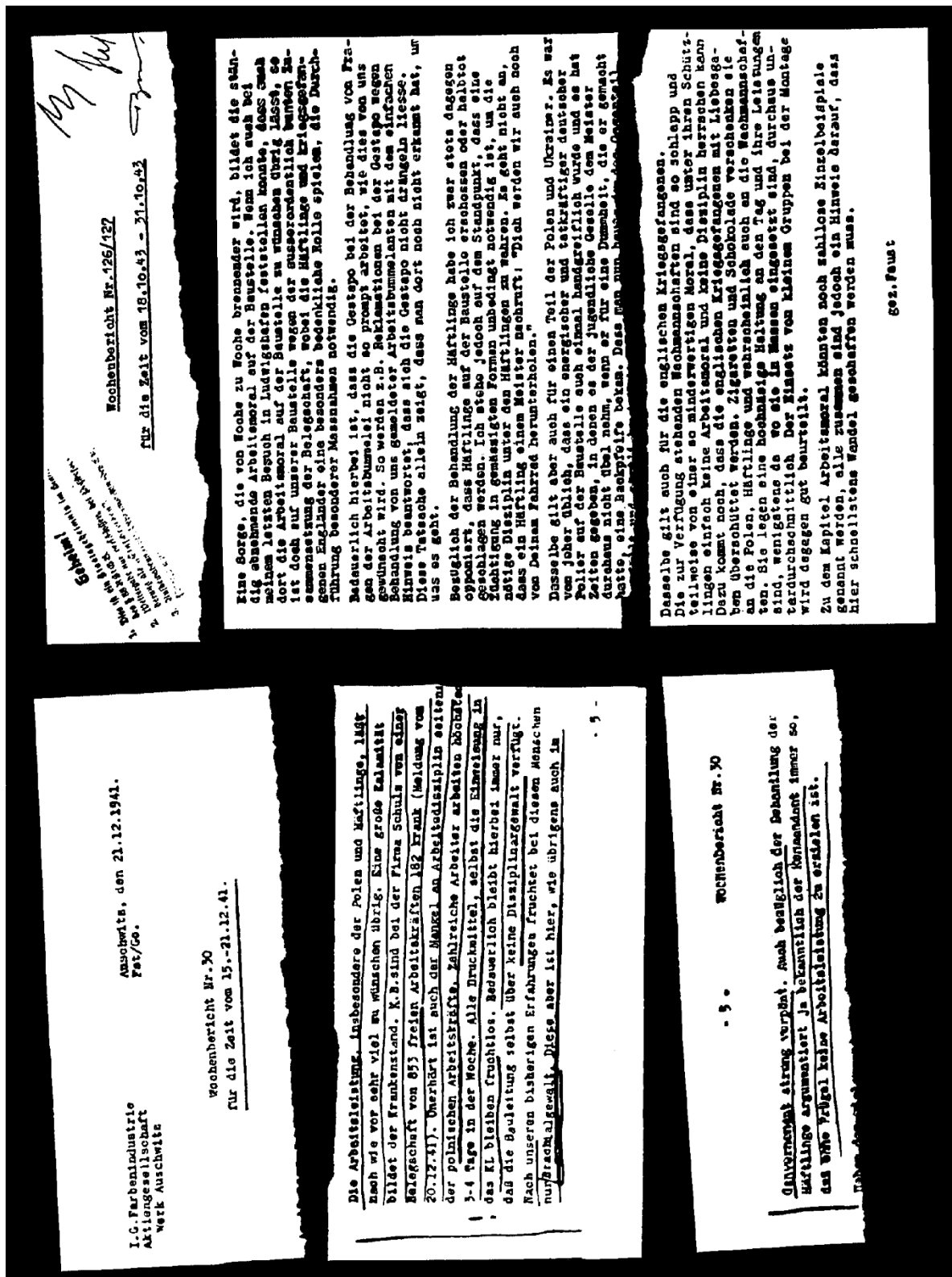
Ich verbleibe mit besten Grüßen  
Ihr

*Otto Ambros*

Anlage

Otto Ambros expresses his satisfaction to ter Meer about the new friendship with the S.

(Working group of former prisoners of the Auschwitz concentration camp at the Committee of Anti-Fascist Resistance Fighters in the GDR (ed.): *I.G. Farben, Auschwitz, Massenmord; über die Blutschuld der I.G. Farben; Dokumentation zum Auschwitzprozess* Berlin, GDR 1964; p. 19).



Weekly reports of the I.G. Auschwitz

(Working Group of Former Prisoners of the Auschwitz Concentration Camp at the Committee of Anti-Fascist Resistance Fighters in the GDR (ed.): *I.G. Farben, Auschwitz, Massenmord; über die Blutschuld der I.G. Farben; Dokumentation zum Auschwitzprozess* Berlin, GDR 1964; p. 29f.)

However, the difficulties in building the Buna and oil synthesis plants did not subside, and the construction work was already far behind schedule. Prisoner labor soon proved to be the biggest problem for the I.G. in the construction of the plants. The squads had to march six kilometers through heat or cold every day to get from the main camp in Auschwitz to the I.G. construction site. The lack of guards led to security problems, so that the prisoners could only be led to work in daylight.<sup>212</sup> *"Illness, malnutrition, the pace of work, sadistic SS guards and Kapos increased the number of absentees. It was a disturbing sight for the I.G. employees to watch the work battalions carrying their dead back and forth so that they could be counted at roll call in the morning and evening."*<sup>213</sup>

#### 4.2.2. The I.G. concentration camp in Monowitz



Gate to the Auschwitz concentration camp

(Auschwitz; fascist extermination camp. Warsaw : Polska Agencja Interpress, 2nd edition 1981 - ISBN 83-223-1913-4)

I.G. Auschwitz slipped into a financial and technical crisis. In view of their investments of almost one billion Reichsmark, the I.G. directors decided on a drastic remedy. In July 1942, they decided they their

labor supply problems in Auschwitz by setting up a separate concentration camp. The initial investment was estimated at five million Reichsmarks.<sup>214</sup>

Under the given circumstances, there were many reasons for a separate concentration camp. By eliminating the long marches to and from the main camp, the labor of the already exhausted prisoners would be spared and guarding would be simplified.

Punishments and discipline could be carried out more effectively. The Cost reduction was of no small importance.<sup>215</sup>

- [212] Trials of War Criminals before the Nuremberg Military Tribunals, under Control Council No. 10, US-Government-Printing-Office, 1953, VIII, p. 425 - Document from the American National Archives (National Archives Collection, Word War II Crimes Records) No. 15256: Excerpts from the weekly report of I.G. Auschwitz for the period from March 9-15, 1942.
- [213] BORKIN, JOSEPH: *Die unheilige Allianz der I.G. Farben; eine Interessengemeinschaft im Dritten Reich*: Frankfurt/Main, New York : Campus Verlag, 1979, 1990 (Vol. 1030) - ISBN: 3-593-34251-0; Campus series, p. 112.
- [214] Trials of War Criminals before the Nuremberg Military Tribunals, under Control Council No.10, US-Government-Printing-Office, 1953, VII, p. 197.
- [215] BORKIN, JOSEPH: *Die unheilige Allianz der I.G. Farben; eine Interessengemeinschaft im Dritten Reich*: Frankfurt/Main, New York : Campus Verlag, 1979, 1990 (Vol. 1030) - ISBN: 3-593-34251-0; Campus series, p. 113.

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The site chosen for the I.G. concentration camp was called Monowitz. The operation of this facility was divided between the I.G. and the SS. The I.G. was responsible for housing, feeding and keeping the prisoners healthy, while the SS was responsible for guarding, punishing and supplying the prisoners. Monowitz was completed in the summer of 1942. Although it belonged to the I.G., it had all the facilities of a typical Nazi concentration camp: watchtowers with floodlights, sirens, machine guns, armed guards and sharp guard dogs. The entire camp was surrounded by barbed wire. A gallows had been erected, from which one or two dead bodies often hung to set a deterrent example to the camp inmates. The Auschwitz motto 'Arbeit macht frei' ('Work sets you free') was placed above the entrance.<sup>216</sup>

The Auschwitz complex now actually consisted of four parts:

Auschwitz I, the actual concentration camp with hundreds of thousands of; Auschwitz II, the extermination camp and the crematoria in Birkenau  
Auschwitz III, the facilities of the I.G.; and  
Auschwitz IV, the I.G.'s own concentration camp in Monowitz.<sup>217</sup>

From the moment the trains were unloaded in Monowitz, those who were not immediately sent to the gas chamber lived in fear of the extermination camp in Birkenau.<sup>218</sup> As the construction work fell further and further behind schedule, the I.G. complained several times about the poor condition of the prisoners who were sent to I.G. Auschwitz to work and blamed this for the poor progress of the construction work. One eyewitness described how the SS reacted to these complaints: *"The Auschwitz officer responsible for the allocation of work*



Tracks to the extermination facilities in Birkenau

(BORKIN, JOSEPH: *The unholy alliance of I.G. Farben; a community of interests in the Third Reich*. Frankfurt/Main, New York : Campus Verlag, 1979, 1990 (Vol. 1030) - ISBN: 3-593-34251-0; Campus series)

*went to Monowitz, stood next to the gates in the early morning and watched the groups marching to work in rows of five. Those who were considered too weak*

- [216] BORKIN, JOSEPH: *Die unheilige Allianz der I.G. Farben; eine Interessengemeinschaft im Dritten Reich*: Frankfurt/Main, New York : Campus Verlag, 1979, 1990 (Vol. 1030) - ISBN: 3-593-34251-0; Campus series, p. 113.
- [217] BORKIN, JOSEPH: *Die unheilige Allianz der I.G. Farben; eine Interessengemeinschaft im Dritten Reich*: Frankfurt/Main, New York : Campus Verlag, 1979, 1990 (Vol. 1030) - ISBN: 3-593-34251-0; Campus series, p. 113.
- [218] See French Office of the War Crimes Information Service: *Concentration Camp Document F321 for the Nuremberg International Tribunal*. Frankfurt/Main : Zweitausendeins, 1st edition 1978/2nd edition 1991. (Original title: Camps de Concentration. Crimes contre la Personne Humaine; Office Francais d'Édition, Paris 1945),  
p. 196: Eyewitness accounts by former concentration camp prisoners about the selection on arrival at the camp.

was segregated and immediately sent to the gas chamber.<sup>219</sup> For thousands of prisoners, Monowitz was therefore only a stopover on the way to Birkenau and gassing.<sup>220</sup>

The conditions in Monowitz inevitably led to a high rate of illness.<sup>221</sup> The I.G. infirmaries did not even meet the requirements of the SS. The I.G. rejected the SS's proposal to expand them, citing the costs.<sup>222</sup> If someone fell ill and was not fit for work again after fourteen days, they were classified as incurable. His card in the card index in the I.G. archives then contained the note: "to Birkenau".<sup>223</sup>

Hunger was a permanent guest at Auschwitz. The food that the inmates of I.G.Auschwitz received - including the infamous 'Buna soup', which the other inmates did not get

- led to an average weight loss of six to nine pounds per week. After two months, the prisoners consisted of nothing but skin and bones, and after three months they were either dead or unfit for work and were "released to Birkenau".<sup>224</sup>

- [219] Document from the American National Archives (National Archives Collection, Word War II Crimes Records) No. 7967: Affidavit of Ervin Schulhof dated June 21, 1947, p. 2 (from: BORKIN, JOSEPH: *Die unheilige Allianz der I.G. Farben; eine Interessengemeinschaft im Dritten Reich*: Frankfurt/Main, New York : Campus Verlag, 1979, 1990 (Vol. 1030) - ISBN: 3-593-34251-0; Campus series,)
- [220] Quote: "In reality, we were all condemned to death, only the Germans' interest in our work gave us a reprieve. We were all awaiting one day fatal exhaustion or suffocation in the wagon or the gas chamber or some other extermination procedure" (from: French Office of the War Crimes Information Service: *Concentration Camp Document F321 for the Nuremberg International Tribunal*. Frankfurt/Main : Zweitausendeins, 1st edition 1978/2nd edition 1991. (Original title: *Camps de Concentration. Crimes contre la Personne Humaine*; Office Francais d'Édition, Paris 1945), p. 104: Eyewitness accounts of former concentration camp prisoners).
- [221] See French Office of the War Crimes Information Service: *Concentration Camp Document F321 for the Nuremberg International Tribunal*. Frankfurt/Main : Zweitausendeins, 1st edition 1978/2nd edition 1991. (Original title: *Camps de Concentration. Crimes contre la Personne Humaine*; Office Francais d'Édition, Paris 1945), p. 111ff: Eyewitness accounts by former concentration camp inmates about the sanitary conditions.
- [222] BORKIN, JOSEPH: *Die unheilige Allianz der I.G. Farben; eine Interessengemeinschaft im Dritten Reich*: Frankfurt/Main, New York : Campus Verlag, 1979, 1990 (Vol. 1030) - ISBN: 3-593-34251-0; Campus series, p. 114.
- [223] Trials of War Criminals before the Nuremberg Military Tribunals, under Control Council No.10, US-Government-Printing-Office, 1953, VII, p. 199. cf. French Office of the War Crimes Information Service: *Concentration Camp Document F321 for the Nuremberg International Tribunal*. Frankfurt/Main : Zweitausendeins, 1st edition 1978/2nd edition 1991. (Original title: *Camps de Concentration. Crimes contre la Personne Humaine*; Office Francais d'Édition, Paris 1945), p. 185ff: Eyewitness accounts by former concentration camp inmates about the selection in the camp.
- [224] Trials of War Criminals before the Nuremberg Military Tribunals, under Control Council No.10, US-Government-Printing-Office, 1953, Trial Preparations, Part III, p. 97 - Document from the American National Archives (National Archives Collection, Word War II Crimes Records) No. 4830: Affidavit by Vitek on nutrition in Auschwitz, and BORKIN, JOSEPH: *Die unheilige Allianz der I.G. Farben; eine Interessengemeinschaft im Dritten Reich*: Frankfurt/Main, New York : Campus Verlag, 1979, 1990 (vol. 1030) - ISBN: 3-593-34251-0; Campus series, p. 117.

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The prisoners' accommodation consisted of three rows of wooden huts. Each sleeping place was occupied by three people, although there was not even enough room for one person. One eyewitness reported: *"It was practically impossible to sleep, if one man wanted to lie down, the other two had to either sit or lie on top of him."*<sup>225</sup> *"There were hardly any tables or chairs. The sanitary conditions were inhumane. In summer there was unbearable heat, and in winter there was no heating."*<sup>226</sup>

In the event of violations of the camp rules, the I.G. wrote to the SS with a request for punishment. The SS's response ranged from deprivation of food to beatings with a stick or whip to hanging or 'selection' in the gas chamber.<sup>227</sup>

In order to keep to their schedule, the I.G. forced the prisoners to work at a murderous pace.<sup>228</sup>

Th  
e I.G. factory police, foremen and Kapos constantly threatened and beat the prisoners if they did not follow the SS marching rules, e.g. in the



Hunger in the Buchenwald concentration camp

(French Office of the War Crimes Information Service: *Concentration Camp Document F321 for the Nuremberg International Tribunal*. Frankfurt/Main : Zweitausendeins, 1st edition 1978/2nd edition 1991. (Original title: *Camps de Concentration. Crimes contre la Personne Humaine*; Office Francais d'Édition, Paris 1945), p. 277).

- [225] Trials of War Criminals before the Nuremberg Military Tribunals, under Control Council No.10, US-Government-Printing-Office, 1953, VIII, pp. 603-616 - Document from the American National Archives (National Archives Collection, Word War II Crimes Records) No. 11696: Sworn statement and testimony of Charles J. Coward of the July 24, 1947, p. 604.
- [226] BORKIN, JOSEPH: *Die unheilige Allianz der I.G. Farben; eine Interessengemeinschaft im Dritten Reich*: Frankfurt/Main, New York : Campus Verlag, 1979, 1990 (Vol. 1030) - ISBN: 3-593-34251-0; Campus series, p. 117.
- [227] Document from the American National Archives (National Archives Collection, Word War II Crimes Records) No. 11003-11017, 11019, 11027, 11029, 11031-11033: typical SS reports on punishments of prisoners. (from: BORKIN, JOSEPH: *Die unheilige Allianz der I.G. Farben; eine Interessengemeinschaft im Dritten Reich*: Frankfurt/Main, New York : Campus Verlag, 1979, 1990 (vol. 1030) - ISBN: 3-593-34251-0; Campus series).
- [228] Document from the American National Archives (National Archives Collection, Word War II Crimes Records) No. 7967: Affidavit of Ervin Schulhof dated June 21, 1947, p. 1 (from: BORKIN, JOSEPH: *Die unheilige Allianz der I.G. Farben; eine Interessengemeinschaft im Dritten Reich*: Frankfurt/Main, New York : Campus Verlag, 1979, 1990 (Vol. 1030) - ISBN: 3-593-34251-0; Campus series)

The prisoners were forced to carry heavy loads on their shoulders at high speed. The prisoners were literally worked to death.<sup>229,230</sup>

I.G. board member Fritz ter Meer, who had visited the factory in Auschwitz twice in person to conduct negotiations with his subordinates, knew the conditions in Monowitz. He testified at the Nuremberg trials that the concentration camp prisoners *were "not subjected to any particular suffering by I.G., as they would have been killed anyway."*<sup>231</sup>



Auschwitz - Shoes of the murdered

(Comité International de Dachau, Brussels: *Konzentrationslager Dachau 1933-1945* - Munich : Lipp, 7th edition 1978; ISBN - 3-87490-534-1. *Das Urteil im I.G.-Farben-Prozeß*. Offenbach a. M. : Bollwerk Verl. Drott: 1948; p. 189).

Carl Krauch was satisfied with the system of labor procurement, as it was called in Auschwitz. In July 1943, he wrote to Himmler that he was pleased to hear that Himmler wanted to support the construction of another chemical factory in a similar way, which Krauch considered necessary to secure the supply of rubber. He hoped that Himmler would continue to support I.G.'s undertakings.<sup>232</sup> Six months later, Krauch was still relying on "*the Auschwitz method*" of labor procurement. He considered it inevitable that a company-owned concentration camp would be set up at I.G. Heydebreck.<sup>233</sup>

*"The construction of I.G.Auschwitz secured I.G. a unique place in economic history. By adopting Nazi methods, it was able to free itself from the laws of traditional*

- [229] Document from the American National Archives (National Archives Collection, Word War II Crimes Records) No. 5847: Affidavit of Berthold Epstein dated March 3, 1947, p. 2 (from: BORKIN, JOSEPH: *Die unheilige Allianz der I.G. Farben; eine Interessengemeinschaft im Dritten Reich*: Frankfurt/Main, New York : Campus Verlag, 1979, 1990 (Vol. 1030) - ISBN: 3-593-34251-0; Campus series)
- [230] See French Office of the War Crimes Information Service: *Concentration Camp Document F321 for the Nuremberg International Tribunal*. Frankfurt/Main : Zweitausendeins, 1st edition 1978/2nd edition 1991. (Original title: Camps de Concentration. Crimes contre la Personne Humaine; Office Francais d'Édition, Paris 1945), p. 88ff: Eyewitness accounts of former concentration camp prisoners.
- [231] SASULY, RICHARD: *IG Farben*. Berlin, 1952, p. 148. quoted from: KÖHLER, OTTO: ... *and today the whole world; The history of I.G. Farben and its fathers*. Hamburg, Zurich : Rasch und Röhrig Verlag, 1986 - ISBN 3-89438-010-1, p. 301.
- [232] Trials of War Criminals before the Nuremberg Military Tribunals, under Control Council No.10, US-Government-Printing-Office, 1953, VIII, pp. 532-535 - Document from the American National Archives (National Archives Collection, Word War II Crimes Records) No. 10040: Letter from Krauch to Himmler dated July 27, 1943.
- [233] Trials of War Criminals before the Nuremberg Military Tribunals, under Control Council No. 10, US-Government-Printing-Office, 1953, VIII, pp. 558-559 - Document from the American National Archives (National Archives Collection, Word War II Crimes Records) No. 13512: memorandum by Ritter and Dürrfeld dated February 3, 1944, p. 558.



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*This was a solution to the slave economy, where slaves were treated as capital goods in order to achieve the highest possible work output in the course of a normal life through care. (...) When all usable energy had been squeezed out of the prisoners, they were transported to Birkenau, where the SS prepared them for recycling into the German war economy: gold teeth for the Reichsbank, hair for mattress production and fat for soap making. Even the lamentations of the condemned were used to drive the remaining prisoners to greater efforts at work.* <sup>19234</sup>

After completion of the I.G. Auschwitz plants, the facilities consumed more electricity than the whole of Berlin. The bottom line, however, was that I.G.Auschwitz turned out to be a total failure. Despite the investment of ultimately 900 million Reichsmarks and the sacrifice of thousands of lives, only a small amount of oil was produced and no Buna at all. <sup>235</sup>



Buna plant of I.G. Auschwitz

(O.M.G.U.S.: *Investigations against I.G. Farbenindustrie A.G.* - Ed. Hans Magnus Enzensberger; Nördlingen : Verlag Franz Greno, 1986 (Special volume of the Other Library) - ISBN: 3-891-900-198)

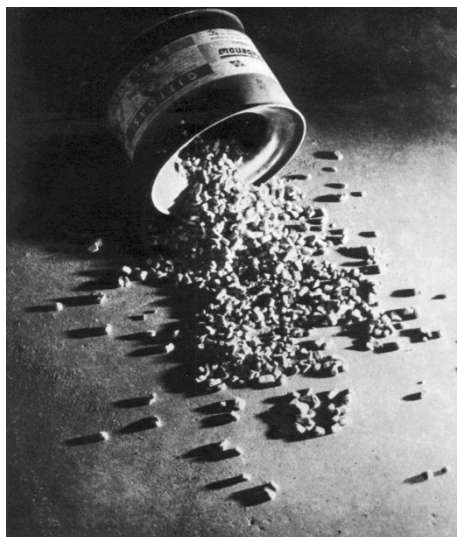
#### 4.2.3. Zyklon B for the 'final solution to the Jewish question'

The sale of the insecticide 'Zyklon B' (hydrocyanic <sup>acid236</sup> mixed with a stabilizer and bound in kieselguhr) was much more successful than the operation of the Buna and oil synthesis plants; the 'Deutsche Gesellschaft für Schädlingsbekämpfung', or 'Degesch' for short, held the monopoly rights to its production. The company, which was a sales company of I.G.

- [234] BORKIN, JOSEPH: *Die unheilige Allianz der I.G. Farben; eine Interessengemeinschaft im Dritten Reich*: Frankfurt/Main, New York : Campus Verlag, 1979, 1990 (Vol. 1030) - ISBN: 3-593-34251-0; Campus series, p. 118.
- [235] Trials of War Criminals before the Nuremberg Military Tribunals, under Control Council No.10, US-Government-Printing-Office, 1953, Prosecutions Final Brief, Part IV, p. 54.
- [236] WEINMANN, MARTIN: *The National Socialist Camp System (CCP)*. Frankfurt/Main : Zweitausendeins, 2nd edition, 1990, p. 88. cf. also: French Office of the War Crimes Information Service: *Concentration Camp Document F321 for the Nuremberg International Tribunal*. Frankfurt/Main : Zweitausendeins, 1st edition 1978/2nd edition 1991. (Original title: Camps de Concentration. Crimes contre la Personne Humaine; Office Francais d'Édition, Paris 1945), pp. 200-201: Eyewitness accounts of former concentration camp inmates about gassing and burning.

was 42.5% owned by I.G., a further 42.5% by Degussa (of which I.G. held a third of the shares) and 15% by the Theo-Goldschmidt Group.<sup>237</sup> I.G. provided five of the eleven Supervisory Board members.<sup>238</sup>

On October 25, 1941, a new poison gas called Zyklon B was tested for the first time in the gas chambers of Birkenau on a test group of eight hundred Russian prisoners of war.<sup>239</sup>



Can with Zyklon B from the Degesch company

(Auschwitz; *fascist extermination camp*. Warsaw : Polska Agencja Interpress, 2nd edition 1981 -. ISBN 83-223-1913-4.)

Rudolf Höss, the camp commandant of Auschwitz, had received the order from Himmler in June 1941 to initiate the extermination of the Jews in Auschwitz. When he realized that the carbon monoxide initially used in the gas chambers was not working fast enough, he regularly bought larger quantities of Zyklon B from Degesch.<sup>240</sup>

As a pesticide, Zyklon B was required by law to contain an odorant to warn people of the gas. When the SS wanted to be supplied with Zyklon B without the odorant, *"the management of Degesch did not want to go along at first, but not for moral reasons. (...) The Zyklon B patent had long since expired and Degesch only held its monopoly through a patent on the warning odor. (...) The SS did not hesitate for long and the company removed the warning odor."*<sup>241</sup>

Based on a simple but macabre calculation about 'human life', Rudolf Höss believed *"that at least 10,000 cans, i.e. 10,000 kilos, were delivered by her (Degesch) over the course of 3 years"*,

- [237] Trials of War Criminals before the Nuremberg Military Tribunals, under Control Council No.10, US-Government-Printing-Office, 1953, Trial Preparation, Part III, p. 35 - Document from the American National Archives (National Archives Collection, Word War II Crimes Records) No. 9098, 9150, 12073, 6393, 9540: IG-"List of Participations.
- [238] BORKIN, JOSEPH: *Die unheilige Allianz der I.G. Farben; eine Interessengemeinschaft im Dritten Reich*: Frankfurt/Main, New York : Campus Verlag, 1979, 1990 (Vol. 1030) - ISBN: 3-593-34251-0; Campus series, p. 114.
- [239] French Office of the War Crimes Information Service: *Concentration Camp Document F321 for the Nuremberg International Tribunal*. Frankfurt/Main : Zweitausendeins, 1st edition 1978/2nd edition 1991. (Original title: Camps de Concentration. Crimes contre la Personne Humaine; Office Francais d'Édition, Paris 1945), p. 184: Eyewitness accounts of former concentration camp prisoners.
- [240] BORKIN, JOSEPH: *Die unheilige Allianz der I.G. Farben; eine Interessengemeinschaft im Dritten Reich*: Frankfurt/Main, New York : Campus Verlag, 1979, 1990 (Vol. 1030) - ISBN: 3-593-34251-0; Campus series, pp. 114-115. see also: SCHNECKENBURGER, ARTHUR: *Die History of the I.G. Farben Group; significance and role of a major company*. Cologne : Pahl-Rugenstein, 1988 - ISBN 3-7609-5242-9, p. 109.
- [241] BORKIN, JOSEPH: *Die unheilige Allianz der I.G. Farben; eine Interessengemeinschaft im Dritten Reich*: Frankfurt/Main, New York : Campus Verlag, 1979, 1990 (Vol. 1030) - ISBN: 3-593-34251-0; Campus series, p. 115.

which corresponds to the number of "2.1 million gassed people and (the) consumption of an average of 6 cans for 1,500 people".<sup>242</sup>

As more and more Jews were added to the SS killing lists as part of the Final Solution, Degesch's profits reached a peak. In the years from 1942 to 1944, I.G. achieved twice the dividend income of the years 1940/41 from its deposits with Degesch.<sup>243</sup>

### 4.3. Medical experiments 'in the service of humanity'?

On December 29, 1941, an SS typhus ward was set up in Block 46 of Buchenwald concentration camp. During the Second World War, medical experiments were carried out on inmates there in order to avoid lengthy pharmacological examinations. Most of the victims died in great agony or were subsequently liquidated as unwelcome accomplices.<sup>244,245</sup> According to a Red Cross list, the experiments were used to test the effectiveness of typhus vaccines, dysentery vaccines, typhus and typhoid therapeutics, ointments against phosphorus-rubber burns; to test the tolerability of vaccines against smallpox, typhoid, paratyphoid A and B, cholera, typhus, diphtheria and yellow fever; as a test field for sex hormones, blood plasma, poisons, hunger oedema (avitaminosis), typhus convalescent serum and for checking blood serum preserves. Today we know that even this list is not yet complete.<sup>246</sup>

"F...No.284, G...No.286, K...No.291" was written on the test protocols, which were carried out in the laboratories of the I.G.



Gate to the Buchenwald concentration camp (FINN, GERHARD: *Buchenwald 1936-1950*;

*History of a camp*. Berlin, Bonn, Bad Münstereifel : Westkreuz-Verlag, 2nd edition 1988 - ISBN 3-922131-61-1, S. 7)

- [242] Document from the American National Archives (National Archives Collection, Word War II Crimes Records) No. 034: From the affidavit of Rudolf Höß dated May 20, 1946. quoted from SCHNECKENBURGER, ARTHUR: *The history of the I.G. Farben Group; the significance and role of a major company*. Cologne : Pahl-Rugenstein, 1988 - ISBN 3-7609-5242-9, p. 109.
- [243] BORKIN, JOSEPH: *Die unheilige Allianz der I.G. Farben; eine Interessengemeinschaft im Dritten Reich*: Frankfurt/Main, New York : Campus Verlag, 1979, 1990 (Vol. 1030) - ISBN: 3-593-34251-0; Campus series, p. 115.
- [244] FINN, GERHARD: *Buchenwald 1936-1950; History of a camp*. Berlin, Bonn, Bad Münstereifel : Westkreuz-Verlag, 2nd edition 1988 - ISBN 3-922131-61-1, p. 14.
- [245] RITSCHER, BODE: *Buchenwald; tour of the national memorial site*. Erfurt : Druckerei Fortschritt, 1986, p. 14.
- [246] Archive of the Buchenwald NMG 30-VIII/42, list of the trials in KL Buchenwald known to the International Tracing Service. from: SCHNEIDER, ULRICH; STEIN, HARRY: *I.G. Farben; Behringwerke department, Marburg; Buchenwald concentration camp, human experiments; a documentary report*. Kassel : Brüder Grimm Verlag, 1986, Hochschulschriften 242 - ISBN 3-925010-03-3.

Farben Group, instead of names. *"At Behringwerke AG, Hoechst AG or Bayer, they did not concern themselves with selecting the victims, observing their long infirmity or disposing of their bodies. For the dirty work there were enough ambitious SS criminals, who the experimental reagents received them, in concentration camps and delivered accurately completed, anonymous reports of the results."*<sup>247</sup> These experiments on prisoners, mostly amateurishly carried out and meaningless for science, must be regarded as crimes against humanity.

#### 4.3.1. Bayer Leverkusen, Behringwerke Marburg

Business developed well in the course of the war preparations in 1938, and Bayer Arzneimittel celebrated its 50th anniversary. During these 50 years, the Bayer Cross had become the symbol of uninterrupted economic advancement, the symbol that gave the entire pharmaceutical division of I.G. Farben its name.<sup>248</sup>

The sales association for pharmaceuticals 'Bayer', dental 'Bayer', crop protection 'Bayer', sera and veterinary products 'E. v. Behring' was based at the I.G. plant in Leverkusen. It was headed by Wilhelm Mann, member of the Board of Management of I.G. Farben and later Reichswirtschaftsrichter. Wilhelm Mann's deputy for the scientific department (W) was Director Krebs. The Scientific Central Office (W I), the Department of Tropical Medicine (W II), the Testing Office for New Products (W III), the Literature and Training Department (W IV) and the Department for Complaints and Competing Preparations (W V) were headed by Anton Mertens, who was the responsible director of Farbfabriken Bayer AG after 1945. Of these departments, it was the scientific department W II (tropical medicine) that experimented to a particular extent in concentration camps. Dr. Karl König was responsible for the testing and scientific preparation of the tropical preparations of this department.<sup>249</sup>

On August 16, 1929, I.G. took over Behringwerke.<sup>250</sup> This enabled I.G. to make significant progress in the sera and vaccine business. The preparations for war and the war brought with them a considerable expansion of the plants, and I.G. pushed itself to the forefront of sera and vaccine production with the Behringwerke.<sup>251</sup>

[247] SCHNEIDER, ULRICH; STEIN, HARRY: *I.G. Farben; Behringwerke department, Marburg; Buchenwald concentration camp, human experiments; a documentary report*. Kassel : Brüder Grimm Verlag, 1986, Hochschulschriften 242 - ISBN 3-925010-03-3, p. 6.

[248] SCHNEIDER, ULRICH; STEIN, HARRY: *I.G. Farben; Abt. Behringwerke, Marburg; Buchenwald concentration camp, human experiments; a documentary report*. Kassel : Brüder Grimm Verlag, 1986, Hochschulschriften 242 - ISBN 3-925010-03-3, p. 8.

[249] Company archive of the VEB Filmfabrik Wolfen A 1804. from: SCHNEIDER, ULRICH; STEIN, HARRY: *I.G. Farben; Behringwerke department, Marburg; Buchenwald concentration camp, human experiments; a documentary report*. Kassel : Brüder Grimm Verlag, 1986, Hochschulschriften 242 - ISBN 3-925010-03-3. cf. RADANDT, H.: *Fall 6. Ausgewählte Dokumente und Urteil des I.G. Farben. Color Process* - Berlin, 1970

[250] Company archive of the VEB Filmfabrik Wolfen A 5423. from: SCHNEIDER, ULRICH; STEIN, HARRY: *I.G. Farben; Behringwerke department, Marburg; Buchenwald concentration camp, human*

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<sup>17</sup> *experiments; a documentary report.* Kassel : Brüder Grimm Verlag, 1986, Hochschulschriften 242 - ISBN 3-925010-03-3.

Like the entire I.G. Farben group, the pharmaceutical producers also realized their profits in close cooperation with the state. They too were already projecting 'overall agreements for the whole world' under the leadership of I.G..<sup>252</sup>

Heinrich Hörlein was a member of the Behringwerke Supervisory Board at the end of the 1930s and in the 1940s. Prof. Carl Lautenschläger was a member of the Supervisory Board and Wilhelm Mann was a member of the Management Board. All were also members of the I.G. Farben Management Board. The 'List of authorized signatories' of I.G. from December 1938 names Dr. Albert Demnitz as the 'leader' of the company.<sup>253</sup>

In the pharmaceutical and sero-bacteriological laboratories of I.G.-Farben, the switch to wartime tasks began as early as the beginning of the 1930s. At Behringwerke, for example, Dr. Albert Demnitz experimented with the toxins of the Fraenkel, Pararauschbrand and Novy bacilli in order to obtain a serum against Fraenkel toxin and a complex serum against all three toxins.<sup>254</sup> These toxins were the cause of gas gangrene, a typical war infection that had claimed numerous victims during the First World War.<sup>255</sup>

In 1939, the Hygienic-Bacteriological Investigation Center of the SS was established. One year later, in 1940, it became the Hygiene Institute of the Waffen-SS. As part of the SS medical system, it was subordinate to the SS Main Command Office. The head of the Hygiene Institute of the Waffen SS was Dr. Joachim Mrugowsky.<sup>256</sup>

The 'Robert Koch Institute, Reich Institute for Combating Communicable Diseases' emerged from the Prussian 'Robert Koch Institute' at the beginning of 1942 as the central state research center for infectious diseases in the territory of the German Reich. It was headed by Prof. Gildemeister.<sup>257</sup> I.G.'s serobacteriological research and production facilities were in constant competition with the Robert Koch Institute.<sup>258</sup>

- [251] See: SCHMIDT, H.: Emil von Behring and his significance for the pharmaceutical industry. In: *Die Welt dankt Behring*, Berlin-Grunewald, 1943 (from SCHNEIDER, ULRICH; STEIN, HARRY: *I.G. Farben; Behringwerke department, Marburg; Buchenwald concentration camp, human experiments; a documentary report*. Kassel : Brüder Grimm Verlag, 1986, Hochschulschriften 242 - ISBN 3-925010-03-3).
- [252] SCHNEIDER, ULRICH; STEIN, HARRY: *I.G. Farben; Abt. Behringwerke, Marburg; Buchenwald concentration camp, human experiments; a documentary report*. Kassel : Brüder Grimm Verlag, 1986, Hochschulschriften 242 - ISBN 3-925010-03-3, p. 13.
- [253] cf: Betriebsarchiv des VEB Filmfabrik Wolfen A 50/4. from: SCHNEIDER, ULRICH; STEIN, HARRY: *I.G. Farben; Abt. Behringwerke, Marburg; KZ Buchenwald, Menschenversuche; ein dokumentarischer Bericht*. Kassel : Brüder Grimm Verlag, 1986, Hochschulschriften 242 - ISBN 3-925010-03-3.
- [254] cf. SCHMIDT, H.: *Grundlagen der spezifischen Therapie und Prophylaxe bakterieller Infektionskrankheiten*, Berlin, 1940, p. 840 in Archiv der NMG Buchenwald 32-XII, Vol.13, Bl.123.
- [255] SCHNEIDER, ULRICH; STEIN, HARRY: *I.G. Farben; Abt. Behringwerke, Marburg; Buchenwald concentration camp, human experiments; a documentary report*. Kassel : Brüder Grimm Verlag, 1986, Hochschulschriften 242 - ISBN 3-925010-03-3, p. 15.
- [256] On Mrugowsky's career and responsibility, see Central State Archives Potsdam, film no. 53214, pp. 140ff. from: SCHNEIDER, ULRICH; STEIN, HARRY: *I.G. Farben; Dept. Behringwerke, Marburg; Buchenwald concentration camp, human experiments; a documentary report*. Kassel : Brüder Grimm Verlag, 1986, Hochschulschriften 242 - ISBN 3-925010-03-3.

### 4.3.2. typhus ward in the concentration camp Buchenwald

The third year of the war had not begun as the fascist leadership had planned. The German troops had plundered and destroyed Polish and Soviet towns, burned down villages and destroyed crops. The civilian population of the occupied territories suffered from hunger, misery and the arbitrariness of the occupiers. Parts of the population were crammed into ghettos. Epidemics broke out, in particular typhus and dysentery, and threatened to spread to the German army.

Vaccines were only available in small quantities. They were so scarce that the Reich Minister of the Interior issued instructions at the beginning of January 1942 to only vaccinate doctors in typhus-infected areas until further notice.<sup>259</sup>

Until then, the principle had been to let Soviet prisoners of war starve to death or die of epidemics, to beat them to death, hang them or shoot them, but the switch from blitzkriegs to protracted warfare meant that the manpower of every prisoner of war had to be exploited to the last. The Chief of the High Command of the Wehrmacht instructed on

December 24, 1941, instructed all offices to treat the supply of Soviet prisoners of war to the armaments industry, i.e. the improvement of the risk of fleck fever, as the 'most urgent task'.<sup>260</sup>

The I.G. pharmaceutical producers were ready, as it was obvious how much revenue the monopoly on a mass vaccine against typhus could generate. On December 29, 1941, two meetings of the Ministry of the Interior were held in Berlin, which were also attended by Prof. Gildemeister from the Robert Koch Institute and Dr. Albert Demnitz from I.G. Behringwerke Marburg/Lahn. Among other things, it was decided that the newly developed typhus vaccine from Behringwerke should be tested for its effectiveness in a trial. For this purpose, Dr. Demnitz was to contact the head of the Hygiene Institute of the Waffen-SS SS Standartenführer Dr. Mrugowsky.<sup>261</sup> In the context of the two meetings, direct

- [257] cf. *Pharmazeutische Zentralhalle* (1942/17), p. 204 (from SCHNEIDER, ULRICH; STEIN, HARRY: *I.G. Farben; Behringwerke department, Marburg; Buchenwald concentration camp, human experiments; a documentary report*. Kassel : Brüder Grimm Verlag, 1986, Hochschulschriften 242 - ISBN 3-925010-03-3).
- [258] SCHNEIDER, ULRICH; STEIN, HARRY: *I.G. Farben; Abt. Behringwerke, Marburg; Buchenwald concentration camp, human experiments; a documentary report*. Kassel : Brüder Grimm Verlag, 1986, Hochschulschriften 242 - ISBN 3-925010-03-3, p. 16.
- [259] cf. Weimar State Archives, Thuringian Ministry of the Interior, E1472-1473. from: SCHNEIDER, ULRICH; STEIN, HARRY: *I.G. Farben; Abt. Behringwerke, Marburg; KZ Buchenwald, Menschenversuche; ein dokumentarischer Bericht*. Kassel : Brüder Grimm Verlag, 1986, Hochschulschriften 242 - ISBN 3-925010-03-3
- [260] cf. Weimar State Archives, Thuringian Ministry of the Interior, E1472-1473. from: SCHNEIDER, ULRICH; STEIN, HARRY: *I.G. Farben; Abt. Behringwerke, Marburg; Buchenwald concentration camp, human experiments; a documentary report*. Kassel : Brüder Grimm Verlag, 1986, Hochschulschriften 242 - ISBN 3-925010-03-3.
- [261] Central State Archives Potsdam Potsdam, film no. 53214, pp. 60ff. from: SCHNEIDER, ULRICH; STEIN, HARRY: *I.G. Farben; Abt. Behringwerke, Marburg; KZ Buchenwald, Menschenversuche; ein dokumentarischer Bericht*. Kassel : Brüder Grimm Verlag, 1986, Hochschulschriften 242 - ISBN 3-925010-03-3.

Talks took place between Demnitz and Mrugowsky, during which more precise ideas about the vaccine experiments that were to take place in the Buchenwald concentration camp were discussed.<sup>262</sup>

On the same day, a typhus ward was set up in Buchenwald Concentration Camp in Block 49 (later also Block 44 and finally in the newly built Block 46). Camp physician SS-Hauptsturmbannführer Dr. med. Erwin Oskar Ding-Schuler took charge of the experimental ward. In his absence, the camp physician SS-Obersturmbannführer Dr. med. Waldemar Hoven was in charge. The interior of Block 46 was different from the rest of the camp. Everything was supposed to be sterile and clean. The massive stone block was separated from the rest of the camp by a barbed wire fence and its windows were made opaque. Only a few people other than the victims had access to the block.<sup>263</sup>

One of the first ten prisoners died during preliminary tests for artificial infection with typhus. A further 135 mainly Jewish prisoners received test vaccinations with vaccines from the Behringwerke and the Robert Koch Institute in January 1942.<sup>264</sup> Dr. Demnitz showed an obvious interest in expanding and accelerating the trials.<sup>265</sup>

In a 'situation report' on April 1, 1942, SS site physician Dr. Hoven informed his boss at the SS Economic Administration Main Office that in a series of experiments for the Behringwerke, the test subjects were still suffering from cardiac muscle weakness, muscle tearing, limb heaviness, ringing in the ears and nosebleeds after the onset of fever. A total of five out of ten people died, two from the agony and the considerable weight loss, three as unvaccinated 'control subjects'.<sup>266</sup>

During the typhus trials, the medical records were numbered consecutively. Following this numbering system, 988 prisoners were involved in the typhus experiments up to January 1945.<sup>267</sup> Experiments were even carried out on March 29, 1945, almost two weeks before the prisoners' self-liberation.<sup>268</sup>

Between January and May 1943, the Buchenwald concentration camp not only conducted typhus tests but also compatibility tests for yellow fever vaccines from the Behringwerke Marburg/Lahn and the

- [262] cf. *Buchenwald; Reminder and Obligation; Documents and Reports*, Berlin, 1960, p. 188f.
- [263] CIEPIELOWSKI, M.; WAITZ, R.: Fleckfiebersversuche im KZ Buchenwald. In: *Inhuman Medicine, Anthology*, Vol.1, T.2, Warsaw, p. 158f. from: SCHNEIDER, ULRICH; STEIN, HARRY: *I.G. Farben; Behringwerke department, Marburg; Buchenwald concentration camp, human experiments; a documentary report*. Kassel : Brüder Grimm Verlag, 1986, Hochschulschriften 242 - ISBN 3-925010-03-3.
- [264] Archive of the Buchenwald NMG 30-VII/44: Diary of the Department for typhus and virus research at the Hygiene Institute of the Waffen SS. from: SCHNEIDER, ULRICH; STEIN, HARRY: *I.G. Farben; Behringwerke department, Marburg; Buchenwald concentration camp, human experiments; a documentary report*. Kassel : Brüder Grimm Verlag, 1986, Hochschulschriften 242 - ISBN 3-925010-03-3.
- [265] Central State Archives Potsdam Potsdam, film no. 40304, sheet 10255. from: SCHNEIDER, ULRICH; STEIN, HARRY: *I.G. Farben; Abt. Behringwerke, Marburg; KZ Buchenwald, Menschenversuche; ein dokumentarischer Bericht*. Kassel : Brüder Grimm Verlag, 1986, Hochschulschriften 242 - ISBN 3-925010-03-3.
- [266] For these and other observations and test series, see: SCHNEIDER, ULRICH; STEIN, HARRY: *I.G. Farben; Abt. Behringwerke, Marburg; KZ Buchenwald, Menschenversuche; ein dokumentarischer Bericht*. Kassel : Brüder Grimm Verlag, 1986, Hochschulschriften 242 - ISBN 3-925010-03-3, pp. 24, 26f, 31f.
- [267] Archive of the NMG Buchenwald Material A. Dietzsch.



Robert Koch Institute in Berlin. Due to the defeat of the German troops in North Africa, the business with the vaccine against yellow fever, which only occurred in these latitudes, was over.<sup>269</sup>

Three pages of a compilation on the after-effects of the typhus therapy trial begun in April 1943 have survived. The experimental therapeutics were supplied by the Hoechst Chemical-Pharmaceutical and Sero-Bacteriological Department of I.G. Farben. 39 prisoners were infected with severe typhus and were to be "treated" with the I.G. products on a trial basis. The preparations, which were still in the experimental stage, failed completely and 21 prisoners died in horrific agony. A painstaking description of the treatment is given on page 3 of the June 1, 1943, dissects the elements of her complete health collapse. According to this, "the following observations were made:

in 30 Cases	reddened face	in 3 Cases	Exophthalmos (pushing forward of the Eyeball with Restriction of movement)
in 37 Cases	puffy face		
in 39 Cases	Conjunctivitis	in 10 Cases	Drowsiness
in 9 Cases	Chills	in 9 Cases	Apathy
in 38 Cases	Headache	in 36 Cases	Delirium
in 39 Cases	Exanthema (pathological skin change)	in 2 Cases	catatonic stupor (mental physical numbness)
in 38 Cases	Hemorrhagic exanthema	in 1 Case	Gangrene of a lower leg (eating ulcer)
in 33 Cases	Yellowing of the hands	in 39 Cases	Enlargement of the spleen
in 1 Case	Subcutaneous phlegmon over the Larynx	in 14 Cases	Splenomegaly
in 8 Cases	Ringling in the ears	in 35 Cases	Subicterus (jaundice)
in 11 Cases	Hearing loss	in 2 Cases	Vomiting (control)
in 16 Cases	swollen tongue	in 15 Cases	Constipation
in 6 Cases	Nosebleed	in 12 Cases	Diarrhea
in 4 Cases	Speech disorders	in 1 Case	Intestinal bleeding
in 4 Cases	Fainting spells	in 13 Cases	Tracheitis
in 39 Cases	Insomnia	in 15 Cases	Bronchitis
in 10 Cases	Muscle twitching	in 1 Case	Bronchopneumonia (pneumonia)
in 16 Cases	Muscle pain	in 1 Case	pyelonephritis and Urethritis
in 2 Cases	Cramps	in 1 Case	Kidney inflammation
in 10 Cases	Trembling hands		
in 2 Cases	Symptoms of paralysis		

- [268] National Archives and Records Service, 1976, Record Group 153, Records of the Judge Advocate General (Army), U.S.Josias Prince zu Waldeck et al. War Crimes Case No. 12-390 (The Buchenwald-Case), Film No.7 (from SCHNEIDER, ULRICH; STEIN, HARRY: *I.G. Farben; Abt. Behringwerke, Marburg; KZ Buchenwald, Menschenversuche; ein dokumentarischer Bericht*. Kassel : Brüder Grimm Verlag, 1986, Hochschulschriften 242 - ISBN 3-925010-03-3).
- [269] Archiv der NMG Buchenwald 30-VII/44, Bl.9: Tagebuch der Abteilung für Fleckfieber- und Virusforschung am Hygiene-Institut der Waffen-SS. and SCHNEIDER, ULRICH; STEIN, HARRY: *I.G. Farben; Behringwerke department, Marburg; Buchenwald concentration camp, human experiments; a documentary report*. Kassel : Brüder Grimm Verlag, 1986, Hochschulschriften 242 - ISBN 3-925010-03-3, pp. 36-37.

*in 2 cases low back pain in 17 cases aching limbs  
in 5 cases insensitivity of the Extremities*

*The following secondary diseases were also observed:*

*in 1 case Hives  
in 3 cases decubital ulcers (bedsores)  
in 3 cases Furunculosis  
in 1 case Parotitis  
in 7 cases sweating*

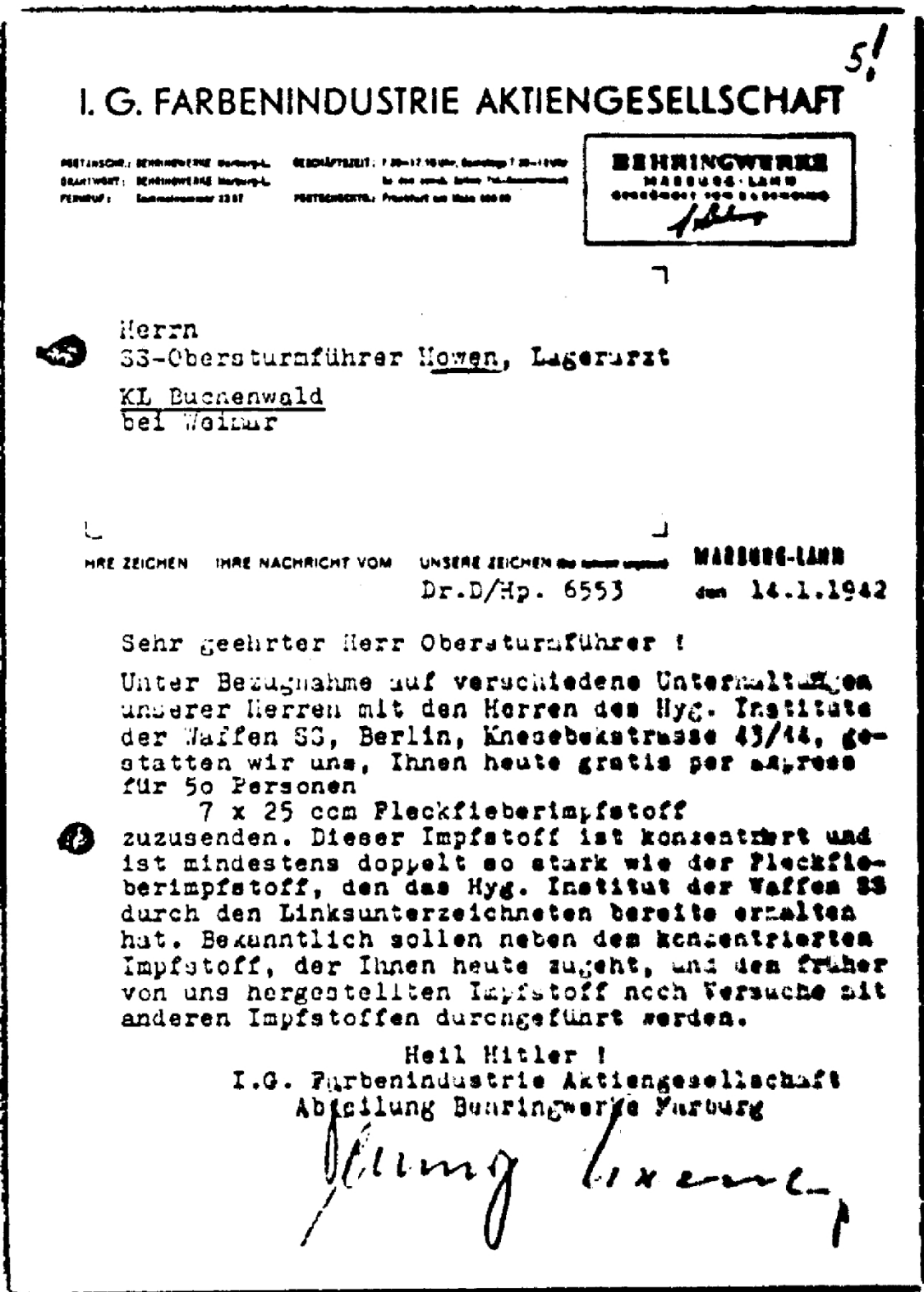
*in 5 cases after fever  
in 15 cases ataxia (disturbance of the Movement coordination)  
in 3 cases Dizziness*

*During the illness*

*36 patients Urine and  
11 patients stool among themselves The mortality rate was*

<i>for the control</i>	<i>55</i>	<i>.5%</i>
<i>for Akridin granules</i>		<i>53,3%</i>
<i>for Rutenol</i>		<i>53,3%"</i>

(SCHNEIDER, ULRICH/STEIN, HARRY: *I.G. Farben; Abt. Behringwerke, Marburg; KZ Buchenwald, Menschenversuche; ein dokumentarischer Bericht* - Brüder Grimm Verlag: Kassel 1986; Hochschulschriften 242, 3-925010-03-3, p. 31f.)



Accompanying letter from I.G. Farben regarding the delivery of a typhus vaccine to be tested on Buchenwald concentration camp inmates.

SCHNEIDER, ULRICH/STEIN, HARRY: *I.G. Farben; Abt. Behringwerke, Marburg; KZ Buchenwald, Menschenversuche; ein dokumentarischer Bericht* - Brüder Grimm Verlag: Kassel 1986; Hochschulschriften 242, 3-925010-03-3.

'Gas gangrene' is a very dangerous infection caused by gas gangrene bacilli that occurs after severe tissue fragmentation in wounds and is accompanied by gas formation in the tissue. At the instigation of Behringwerke AG Marburg/Lahn, a tolerance test of Fraenkel serum against this infection was carried out on inmates of Buchenwald concentration camp from November 1943 to January 1944.<sup>270</sup>

### 4.3.3. Further "scientific experiments"

Experiments were also carried out in other concentration camps, with I.G. employee SS Hauptsturmbannführer Dr. Helmuth Vetter, who was stationed in several concentration camps, playing a key role on behalf of Bayer Leverkusen.<sup>271</sup> At the same time as Dr. Joseph Mengele, he experimented in Auschwitz with drugs known as "B-1012", "B-1034", "3382" or "B-1012". carried the name "Rutenol". The test preparations

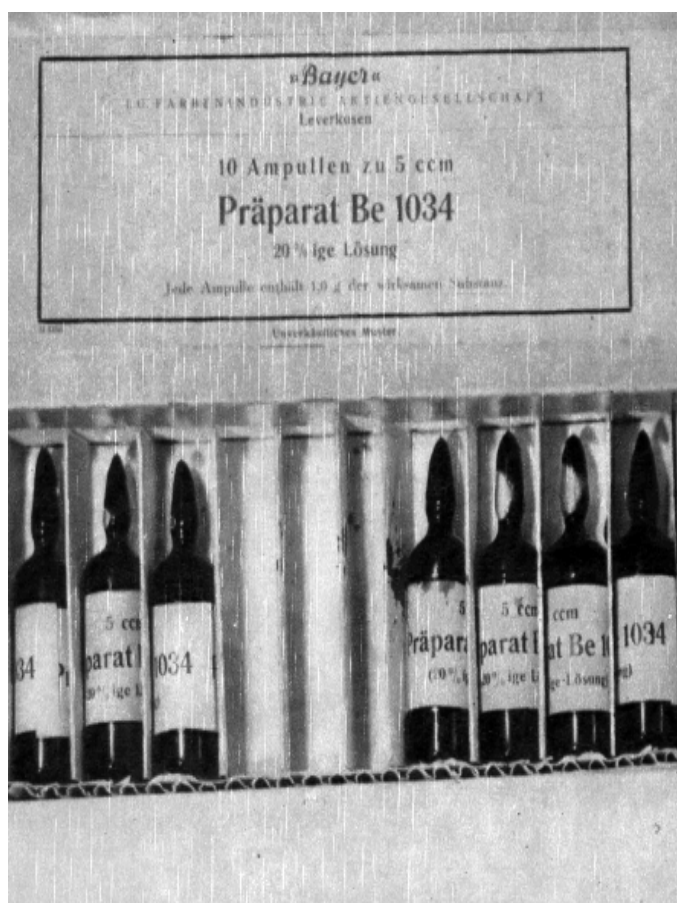
were administered in the form of tablets, granules, injections or enemas not only to sick but also to healthy prisoners, who were specially infected for this purpose. Some drugs caused vomiting and bloody diarrhea in the victims; in most cases, these experiments resulted in the death of the prisoners.<sup>272</sup>

The Auschwitz files contain

There is an exchange of letters between the camp commandant and Bayer Leverkusen concerning the sale of 150 female prisoners

for experimental purposes: *"With regard to the intention of experimenting with a new sleeping pill, we would*

*would appreciate it if you could provide us with a number of women (...)" - "We received*



typhus preparation B-1034 from Bayer - used for prisoner experiments

(Auschwitz; fascist extermination camp. Warsaw : Polska Agencja Interpress, 2nd edition 1981 - ISBN 83-223-1913-4.)

[270] cf. Archiv der NMG Buchenwald 30-VII/44, Bl.19: Diary of the Department for typhus and virus research at the Hygiene Institute of the Waffen SS.

[271] SCHNECKENBURGER, ARTHUR: *The history of the I.G. Farben Group; the significance and role of a major company*. Cologne : Pahl-Rugenstein, 1988 - ISBN 3-7609-5242-9, p. 110. u - Working Group of Former Prisoners of the Auschwitz Concentration Camp at the Committee of Anti-Fascist Resistance Fighters in the GDR (ed.): *I.G. Farben, Auschwitz, Experiments, Documents on the 2nd Auschwitz Trial*. Berlin 1965, pp. 36ff, 61.

[272] *Auschwitz; fascist extermination camp*. Warsaw : Polska Agencja Interpress, 2nd edition 1981 - ISBN 83-223-1913-4, p. 139.

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*Your answer, however, the price of 200RM per woman seems too high to us. We suggest paying no more than 170RM per head. If this seems acceptable to you, we will take possession of the women. We need about 150 women (...) - "We confirm your agreement. Prepare for us 150 women in the best possible state of health (...) - "Received the order for 150 women. Despite their emaciated condition, they were found to be satisfactory. We will keep you informed about the development of the experiments (...) - "The experiments were carried out. All subjects died. We will contact you soon regarding a new shipment (...)."*<sup>273</sup>

A former prisoner from Auschwitz testified: *"In Block No. 20 there was a large room with tuberculosis patients. The Bayer factories sent a medicine in ampoules without any description. The tuberculosis patients were given injections. These unfortunates were never gassed. They waited for their death, which came very quickly. (...) 150 Jewish women who had been bought by Bayer from the Auschwitz camp administration (...) were used in experiments with unknown hormone preparations."*<sup>274</sup>

Parallel to the experiments by Behringwerke and Bayer Leverkusen, the Hoechst Chemical-Pharmaceutical and Sero-Bacteriological Department in the Auschwitz concentration camp started prisoner experiments with its new *"typhus preparation 3582"*.<sup>275</sup> However, the first series of experiments ended unsatisfactorily. Of the 50 test prisoners, 15 died; the typhus preparation led to vomiting and exhaustion.<sup>276</sup> A quarantine in the Auschwitz concentration camp led to the extension of the experiments to the Buchenwald concentration camp. The diary of the 'Department for typhus and virus research at Buchenwald Concentration Camp' states the following on January 10, 1943:

*"At the suggestion of I.G. Farbenindustrie A.G., it is being tested as a typhus therapeutic:*

*a) Preparation 3582 "Akridin" of the Chem. Pharm. u. Sero-Bakt. Department in Ffm. - Höchst - Prof. Lautenschläger and Dr. Weber - (therapeutic trial A)*

*b) Methylene blue, tested in mice by Prof. Kiekuth, Elberfeld (therapy experiment M)."*<sup>277</sup>

This first and also a second series of therapy trials in Buchenwald from March 31 to

April 11, 1943 were negative due to insufficient infection of the prisoners. The trials in Auschwitz were also unsuccessful.<sup>278</sup>

[273] quoted from: KÖHLER, OTTO: The history of a civic association; I.G. Farben. In: *KONKRET* No. 9/82 EXTRA (1982).

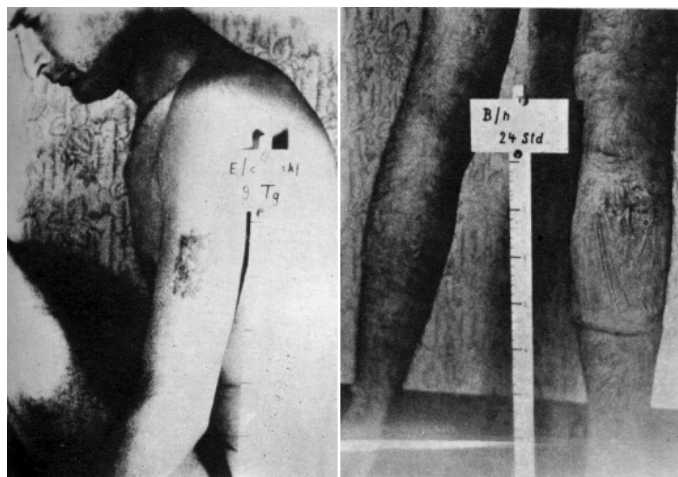
[274] quoted from: French Office of the War Crimes Information Service: *Konzentrationslager Dokument F321 für den Internationalen Gerichtshof Nürnberg*. Frankfurt/Main : Zweitausendeins, 1st edition 1978/2nd edition 1991. (Original title: *Camps de Concentration. Crimes contre la Personne Humaine*; Office Français d'Édition, Paris 1945), pp. 139-140: Eyewitness accounts by former concentration camp prisoners.

[275] SCHNEIDER, ULRICH; STEIN, HARRY: *I.G. Farben; Abt. Behringwerke, Marburg; Buchenwald concentration camp, human experiments; a documentary report*. Kassel : Brüder Grimm Verlag, 1986, Hochschulschriften 242 - ISBN 3-925010-03-3, p. 52.

[276] SCHNEIDER, ULRICH; STEIN, HARRY: *I.G. Farben; Abt. Behringwerke, Marburg; Buchenwald concentration camp, human experiments; a documentary report*. Kassel : Brüder Grimm Verlag, 1986, Hochschulschriften 242 - ISBN 3-925010-03-3, p. 52.

[277] Archiv der NMG Buchenwald 30-VII/44, Bl.8: Diary of the Department for typhus and virus research at the Hygiene Institute of the Waffen SS. from: SCHNEIDER, ULRICH; STEIN, HARRY: *I.G. Farben; Behringwerke department, Marburg; Buchenwald concentration camp, human experiments; a documentary report*. Kassel : Brüder Grimm Verlag, 1986, Hochschulschriften 242 - ISBN 3-925010-03-3, p. 52.

The scientific value of all these experiments, even if not always initiated by the I.G., was effectively zero. The test subjects were in a very poor state of health due to forced labor, malnutrition and illnesses in the concentration camp. Added to this were the generally poor sanitary conditions in the vicinity of the laboratories. *"The test results in the concentration camps had to be known to the specialists in the laboratories of the I.G. are known, were not comparable to results under normal conditions."*<sup>279</sup>



Experiments with I.G. preparations usually led to the death of the prisoners. The survivors remained crippled for life

(Auschwitz; fascist extermination camp. Warsaw : Polska Agencja Interpress, 2nd edition 1981 - ISBN 83-223-1913-4)

The SS physician Dr. Hoven testified before the Nuremberg Tribunal: *"It must have been generally known, especially in German scientific circles, that the SS did not have any scientists worth mentioning. It is obvious that the experiments carried out in the concentration camps with I.G. preparations were only in the interest of the I.G., which endeavored by all means to determine the effectiveness of its preparations or to test the effectiveness of the I.G. preparations. - I would like to say - to have the SS do dirty work in concentration camps. The I.G. was careful not to reveal this fact to the outside world, but to conceal the details of their experiments in order to (...) profit from them. It was not the SS but the I.G. that took the initiative in these experiments in the concentration camps."*<sup>280</sup>

## 4.4. Military development of World War II

After Austria, the Sudetenland, Czechoslovakia and Memelland had been occupied by March 1939, Hitler concluded the German-Soviet Non-Aggression Pact with Stalin to give himself a free hand for the conquest of Poland. As the Soviet army had lost strength since the 1930s due to "purges" in the officer corps, Stalin hoped that this treaty would give him security against a militarily superior Germany. One week later, on September 1, 1939, World War II began with Hitler's attack on Poland.

- [278] SCHNEIDER, ULRICH; STEIN, HARRY: *I.G. Farben; Behringwerke department, Marburg; Buchenwald concentration camp, human experiments; a documentary report*. Kassel : Brüder Grimm Verlag, 1986, Hochschulschriften 242 - ISBN 3-925010-03-3, pp. 52-53.
- [279] SCHNEIDER, ULRICH; STEIN, HARRY: *I.G. Farben; Abt. Behringwerke, Marburg; Buchenwald concentration camp, human experiments; a documentary report*. Kassel : Brüder Grimm Verlag, 1986, Hochschulschriften 242 - ISBN 3-925010-03-3, p. 28.
- [280] SCHNEIDER, ULRICH; STEIN, HARRY: *I.G. Farben; Abt. Behringwerke, Marburg; Buchenwald concentration camp, human experiments; a documentary report*. Kassel : Brüder Grimm Verlag, 1986, Hochschulschriften 242 - ISBN 3-925010-03-3, p. 28.

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On April 9, 1940, German troops began the military occupation of Norway and Denmark. On May 10, Hitler invaded Holland, Belgium, Luxembourg and France. After the

By the time the attack on Yugoslavia and Greece took place on April 6, 1941, almost all of Europe was under fascist rule. Hitler had concluded a pact with Italy and Japan, and his previous blitzkrieg tactics had proved their worth, so that on June 22, 1941, the attack on the Soviet Union took place under the cover name 'Operation Barbarossa'.

When Hitler's ally Japan attacked the American fleet at Pearl Harbour on December 7, 1941, the USA no longer remained neutral and declared war on Japan a day later. Germany and Italy responded on December 11.

British and American troops landed in North Africa on November 7, 1942, which ultimately led to the surrender of the German army in North Africa on May 12, 1943.

The enormous size of Russia and the harsh Russian winter brought the blitzkrieg to an end in the second winter on February 2, 1943 before Stalingrad. After the Allies landed in Sicily on September 3, 1943 and ended Mussolini's fascist rule, former ally Italy declared war on Germany on October 13. The Allied bombers now flew day and night attacks against German cities.

On May 12, 1944, the USA sent 935 bombers against Germany's synthetic oil production. Two hundred aircraft alone were concentrated on the Leuna plants. Hitler and Göring then convened a tour and conference attended by four of I.G.'s leading fuel experts. This group, which also included Krauch and Bütefisch, was to discuss the consequences of the air raids of May 12.

As only a very small number of fuel, Buna and nitrogen factories existed due to the I.G.'s monopoly position, these were particularly vulnerable strategic points of attack, as they produced the materials essential for armaments. Göring promised Krauch that some of the aircraft would be assigned to protect the oil factories and not sent to the front. The Allied invasion of Normandy on June 6, 1944 forced Göring to go back on his promise.

By the fall of 1944, Germany's military situation had deteriorated considerably. Martin Bormann and Josef Goebbels urged Hitler to carry out an attack with the nerve gas 'Tabun' against enemy troop concentrations and cities. Tabun is an extremely powerful nerve gas that can kill the victim within a few minutes on contact with the skin. Tabun and the other nerve gas 'Sarin' were discovered during research into pesticides and were among Germany's best-kept military secrets. They were only ever mentioned under the cover name 'N-Stoff' and, after initial experiments with guinea pigs and rats, were finally tested on Jewish prisoners.<sup>281</sup> Hitler had Otto Ambros asked to what extent the Allies also had nerve agents and, if so, whether they had an effective antidote for them. Ambros informed Hitler that the enemy probably had a similar weapon and that no antidote had yet been found. Hitler therefore forbade the use of 'N-Stoff'.

Ambros' assessment of the Allies' chemical armaments was wrong. The Allies possessed no chemical weapons comparable to the nerve gas of the I.G., which they used for

[281] Trials of War Criminals before the Nuremberg Military Tribunals, under Control Council No.10, US-Government-Printing-Office, 1953, I, p. 351: Brandt Documents 12, Defense Exhibit No. 11. (after BORKIN, JOSEPH: *Die unheilige Allianz der I.G. Farben; eine Interessengemeinschaft im Dritten Reich*: Frankfurt/Main, New York : Campus Verlag, 1979, 1990 (Vol. 1030) - ISBN: 3-593-34251-0; Campus series)

retaliation could have been used. Hitler would therefore have had an effective opportunity to end the war differently thanks to the I.G.'s research and development activities.

Adolf Hitler committed suicide on April 30, 1945, Berlin was conquered by the Red Army on May 2, and Germany declared its unconditional surrender on May 8, 1945. Preparations for the war crimes trials were to begin in the fall. However, the war in the Far East was not yet over. On August 6 and 9, the atomic bombs were dropped on Hiroshima and Nagasaki. Japan finally surrendered on September 2, 1945.

The I.G. directors acted as if they knew what the future would bring. Most of the I.G.'s assets were taken abroad and as early as September 1944, ter Meer and the Secretary of the Board of Directors, Ernst Struss, planned the destruction of the I.G.'s files in case the Americans occupied the Frankfurt headquarters. In the spring of 1945, when it was obvious that the Americans would soon have Frankfurt in their hands, they began the large-scale burning and destruction of the files. Around fifteen tons of paper were destroyed. Most of the files in Auschwitz were also destroyed before the Red Army liberated the camp. When the Allies tried to piece together the I.G. files from the Nazi era, they found huge gaps. Much more incriminating material would probably have been gathered if the files had been complete. Nevertheless, what the Allies were left with was terrible enough.







## 5. 1945-1955: Nuremberg Trials and the unraveling of the I.G. Colors

### 5.1. The global political situation at the end of the Second World War

#### 5.1.1. The emergence of the Potsdam Agreement

The main features of the planned development of the German Reich occupied by the Allies had been defined at several Allied conferences. Most of these conferences took place during the war.

On January 14, 1943, at the Casablanca Conference, Roosevelt and Churchill decided on the unconditional surrender of the German Reich as a common war aim. From the

November 28 to December 1, 1943, the first meeting between Roosevelt and Churchill and Stalin took place in Tehran. They agreed on military cooperation (for example, the opening of a second front in the west, i.e. the landing in France in June 1944, which Stalin had long been calling for), the occupation of the German Reich and the Soviet Union's entry into the war against Japan. Churchill and Stalin met in Moscow from October 9 to 20, 1944 to clarify zones of influence. At the Yalta Conference (4th - 20th October 1944)

February 11, 1945) concretized the Allies' plans for Germany. The division into occupation zones and their administration by a supreme commander, who was the

The decision was taken to place the respective government in charge. A Control Council based in Berlin, consisting of the military commanders-in-chief, was to clarify all-German issues on the basis of unanimous resolutions. France was asked to participate.

The Potsdam Conference took place from July 17 to August 2, 1945. As Roosevelt had died and Churchill had not been re-elected, Truman, Attlee and Stalin met here. France agreed to the agreement on August 7 with retroactive effect and with reservations. In a joint communiqué (the so-called Potsdam Agreement) dated 2 August 1945, the Allies announced their intentions: "(...) The aim of this agreement is the implementation of the Crimea



Conference

(LOTH, WILFRIED: *Die Teilung der Welt - Geschichte des Kalten Krieges 1941-1955*. In: dtv-Weltgeschichte des 20. Jahrhunderts. Munich : dtv :, 1983 - ISBN 3-423-04012-2.)

*Declaration on Germany. German militarism and Nazism will be eradicated, and the Allies, by mutual agreement, will take such other measures now and in the future as may be necessary to ensure that Germany can never again threaten her neighbors or the preservation of peace throughout the world. (...)*

#### Political principles

*(...) The aims of the occupation of Germany, by which the Control Council is to be guided, are: Complete disarmament and demilitarization of Germany and the elimination of all German industry that can be used for war production or its surveillance. (...)*

#### Economic principles

*German economic life must be decentralized in practically the shortest possible time with the aim of destroying the existing excessive concentration of economic power, represented in particular by cartels, syndicates, trusts and other monopoly associations.*

*In the organization of German economic life, the main emphasis is to be placed on the development of agriculture and the peacetime industry for internal needs (consumption).*

*During the period of occupation, Germany is to be regarded as an economic unit. (...)* <sup>1282</sup>

The intentions formulated here are strongly influenced by Morgenthau's ideas. All fascist tendencies were to be destroyed through rigorous cuts.

But it was precisely this that seemed less and less important after the end of the war, as the old/new enemy was once again seen in the East in the wake of the looming 'Cold War'.

### **5.1.2. Economic and political Backgrounds**

However, there was no so-called 'zero hour' for the military, politicians, the economy, the judiciary and capital. They all survived the war well and actively helped to shape the development of 'our' Federal Republic from the very beginning. The post-war history of I.G. Farben is exemplary of this continuity.

In order to understand why the Potsdam resolutions were never implemented, it is necessary to broaden our perspective and look at global economic and political developments up to the end of the war.

#### *Economic development*

One of the most significant economic events in this century was undoubtedly the Great Depression (the so-called 'Great Depression') in the industrialized nations, which dominated the 1930s with the stock market crash of 1929. This was inextricably linked to the great economic progression during the First World War.

In the 1930s and 1940s, leading economic theorists increasingly came to realize that market economies (this is actually the unscientific term for 'capitalist economic systems') do not achieve economic stability of their own accord, but are subject to constant ups and downs. The Oxford scholar Lord John Maynard Keynes in particular postulated that these are not

[282] DEUERLEIN, E.: Potsdam 1945. paperback 1963, p. 350f. quoted from: MICKEL, KAMPMANN, WIEGAND: *Politik und Gesellschaft*. Frankfurt/M : Hirschgraben-Verlag, 3rd ed. 1973 (Volume 2 1917 to today.) - ISBN 3-454-592-00-3, p. 171f.

The Keynesian economist believed that full employment would necessarily be achieved and therefore called for state intervention in the economy ('fiscal policy') in order to achieve full employment (1 Keynesianism).

As early as the First World War, the extensive supply of weapons to Europe meant that almost all The beginning of the Second World War brought an end to the depression in the USA and a strong expansion of US industry to cover domestic and foreign armaments requirements:

The problem facing the USA at the end of the Second World War was therefore no longer "(...) *how to distribute an inadequate level of income and employment through careful regulation of production, but rather how to maintain the economy after the war at the new levels of production and income that had been achieved in the meantime. In 1941, the National Resources Planning Board already wrote that the national income had to be maintained at an annual level of at least 100 billion dollars, and that it would soon rise far beyond that. Such an objective required that after the war foreign markets would be able to absorb at least the same level of exports that the United States had obtained with the help of lend-lease*<sup>financing284</sup>. The fact that Britain had found itself in a weak and dangerous position in 1941, and had thus finally become dependent on the United States, provided the US government with a good diplomatic opportunity to pursue these new economic goals. In the discussions that took place between Roosevelt and Churchill at Placentia Bay and led to that rhetorically obscure document, the Atlantic Charter, the United States government exerted strong pressure on Britain to abolish 'discrimination' in international trade. (...) In the United States, multilateral trade was seen not only as a component of democratic government, but also as the only way to preserve the economic advantage gained by war."<sup>285</sup> Wars are too often condemned as an economic loss, but the transformation of the American economy between 1938 and 1945 provides a most striking example to the contrary. "It is estimated that the per capita national product in 1929 prices rose from 794 dollars in 1938 to 1293 dollars in 1945. Except for Canada, no other country experienced such an upswing."<sup>286</sup>

In order to maintain these economic advantages and prevent a decline in the economic boom that had finally been achieved as a result of the war, the Monetary and Financial Conference of the newly founded UN was held in Bretton Woods, USA, from July 1 to 23, 1944. A power struggle took place here between the USA and Great Britain for global economic supremacy, which the USA clearly won.

This agreement stipulated the establishment of the IMF (International Monetary Fund) and the World Bank (International Bank for Reconstruction and Development),<sup>287</sup> which the USSR signed but did not ratify. "The intention was to maintain the same stability of exchange rates as the pre-1914 gold standard, while avoiding some of the disadvantages that the gold standard had in

[283] The new Brockhaus, 6th edition, 1979.

[284] The Lend-Lease Act, which was in force from March 11, 1941 to August 21, 1945, allowed the USA to sell armaments without cash payment - but in the form of a bond to the USA.

[285] MILWARD, ALAN S.: *Der Zweite Weltkrieg; Krieg, Wirtschaft u. Gesellschaft 1939 - 1945*. In: FISCHER, WOLFRAM (ed.): *Geschichte der Weltwirtschaft im 20. Jahrhundert*. Volume 6. Munich : dtv, 1984 - ISBN: 3-423-04126-9, p. 382f.

[286] MILWARD, ALAN S.: *Der Zweite Weltkrieg; Krieg, Wirtschaft u. Gesellschaft 1939 - 1945*. In: FISCHER, WOLFRAM (ed.): *Geschichte der Weltwirtschaft im 20. Jahrhundert*. Volume 6. Munich : dtv, 1984 - ISBN: 3-423-04126-9, p. 383.

The economic objectives were now *"balanced growth in world trade, high employment, exchange rate stability and adherence to orderly exchange rate arrangements"*.<sup>289</sup> To ensure this, the USA, which owned almost 90% of the world's gold reserves after the war through purchases and arms deals<sup>290</sup>, guaranteed the purchase and sale of a fine ounce of gold at a guaranteed \$35 per fine ounce. In doing so, they tied the US dollar as the world's reserve currency. This gave it a central role similar to that of the 'gold standard' in the 1920s. This price guarantee was valid from 1944 until August 15, 1971, when the USA was no longer in a position to maintain this guarantee due to the high costs of the Vietnam War. This was followed by the economic depression of the 1970s, which is often blamed solely on the oil crisis.

But *"instead of an era of universally expanding trade, 1947 marked the beginning of an era of The United States was the first country in the world to be dominated by the two major military powers, which were in implacable economic and political hostility to each other. In the same year, the International Bank for Reconstruction and Development and the International Monetary Fund came under the de facto control of the United States and no longer operated in the general interest, but as an instrument of United States policy."*<sup>291</sup>

### *Political development*

Politics is the result of what can be achieved through military or economic power and force. Consequently, the developments during and after the Second World War can only be understood against the background of the global military situation (see chapter 4.4) and the economic situation and interests.

Even in the last years of the war, it looked as if the Allies actually wanted to represent an 'alliance against fascism'. The many German emigrants in particular probably contributed to the emergence of a relatively strong anti-fascist potential in the USA. US President Roosevelt was also apparently prepared to form a joint power bloc with the Soviet Union to prevent fascism in the future. At least this is how it was formulated in the minutes of the war conferences.

The Atlantic Charter, which Roosevelt and Churchill adopted on 18.8.1941 in order to establish a 'system of collective security'<sup>292</sup>, gave rise to the United Nations in the following years.

- [287] MILWARD, ALAN S.: *Der Zweite Weltkrieg; Krieg, Wirtschaft u. Gesellschaft 1939 - 1945*. In: FISCHER, WOLFRAM (ed.): *Geschichte der Weltwirtschaft im 20. Jahrhundert*. Volume 6. Munich : dtv, 1984 - ISBN: 3-423-04126-9, p. 417.
- [288] MILWARD, ALAN S.: *Der Zweite Weltkrieg; Krieg, Wirtschaft u. Gesellschaft 1939 - 1945*. In: FISCHER, WOLFRAM (ed.): *Geschichte der Weltwirtschaft im 20. Jahrhundert*. Volume 6. Munich : dtv, 1984 - ISBN: 3-423-04126-9, p. 417.
- [289] ASCHINGER, F.: *The New Monetary System; From Bretton Woods to the Dollar Crisis 1977*. Frankfurt/Main 1978.
- [290] SANDNER, P., SOMMER, M.: *IMF-World Bank: Development aid or financial policy bludgeon for the '3rd world'?* 6th edition, Stuttgart : Schmetterling-Verlag, 1988, p. 18f.
- [291] MILWARD, ALAN S.: *Der Zweite Weltkrieg; Krieg, Wirtschaft u. Gesellschaft 1939 - 1945*. In: FISCHER, WOLFRAM (ed.): *Geschichte der Weltwirtschaft im 20. Jahrhundert*. Volume 6. Munich : dtv, 1984 - ISBN: 3-423-04126-9, p. 419.
- [292] MICKEL, KAMPMANN, WIEGAND: *Politics and Society*. Frankfurt/M : Hirschgraben-Verlag, 3rd ed. 1973 (vol. 2 *1917 to the present day.*) - ISBN 3-454-592-00-3, p. 269.

Nations, with its subsidiary organizations WHO, FAO, UNESCO and the World Bank.<sup>293</sup> The Charter of the United Nations (UN) was signed by 51 nations on 26 June 1945 (just 3 weeks before Potsdam and 6 weeks after the end of the war in Europe).

However, with Roosevelt's death on April 12, 1945 and the end of the war, it became clear that the Allies had only formed an 'anti-Hitler coalition' and that they now had to defend their own interests. In particular, *"the USA needed sales territories, markets, spheres of influence and 'open doors' at all costs in order to preserve its capitalist economic system, which had to manage the difficult transition from a war economy running at full speed to a normal peacetime economy. This resulted in the compulsion to expand worldwide, the belief that it could not do without direct political access, military presence and economic activities in any region"*<sup>294</sup> (see also previous chapter) and feared nothing more than the further spread of non-market, communist ideas and systems.

The real enemy that the capitalist economy feared was therefore not the now

It was not defeated fascism, with which, as the last few years had shown, it was possible to come to terms very well, but communism, which could have robbed the economic bosses of their wealth, which had been generated by slave labour and the war industry, through socialization and nationalization. Churchill put it openly in his own words at the time: *"We slaughtered the wrong pig"*.

And the Western Allies' war against the German Reich was probably never a war against fascism. The war in the East, which was unavoidable for I.G. Farben because it had firmly planned for Romanian oil in its strategic considerations (2 Four-Year Plan), posed a danger to it above all because it would have meant a German Reich that was too strong if it had ended successfully.

When the German Reich invaded 'insignificant' Poland, which was allied with England and France, in September 1939, its liberation was hardly worth a shot of powder to the Western Allies. Throughout the winter of 1939/40, there was practically no fighting on the western front (the so-called 'Sitzkrieg'); *"obviously they only wanted to ease their own conscience - they could no longer help the Poles anyway."*<sup>295</sup>

And the Nazis didn't actually want a war against the West either. It had never been planned, it necessarily resulted from the diplomatic obligations of the great powers - the real ideological enemy was always in the East. Only against this background can Hitler's hesitant military actions against England (e.g. enabling the escape of the British Expeditionary Force from Dunkirk in May 1940 and postponing the planned landing in England in July 1940) be understood - they did not want to hurt future allies too much.

The common anti-communist interests of the Western Allies and the National Socialists are probably nowhere as clear as in the case of Rudolf Hess: when Rudolf Hess, 'Deputy Führer', flew to Great Britain on May 10, 1941, he wanted to achieve reconciliation on the Western Front so that the Germans could first of all eliminate communism by conquering the Soviet Union - something that both opponents of the war probably wanted to do.

[293] MICKEL, KAMPMANN, WIEGAND: *Politics and Society*. Frankfurt/M : Hirschgraben-Verlag, 3rd ed. 1973 (vol. 2 *1917 to the present day.*) - ISBN 3-454-592-00-3, p. 272.

[294] WASSMUND, HANS: *Grundzüge der Weltpolitik; Daten und Tendenzen von 1945 bis zur Gegenwart*. Munich : Verlag C.H. Beck, 1982, p. 28.

[295] ZENTNER, Dr. K.: *Illustrated History of the Third Reich*. Südwest Verlag Neumann 1963; p. 456.

would have been quite right. Since such a high-ranking politician in the Nazi government cannot simply be accused of suicidal dilettantism and a fundamental misjudgement of the global political context, it must be assumed that he must have seen real opportunities for his proposal.

Political rejection of the Nazis by other Western European countries was practically non-existent. The actual discrediting of the Nazis only came about through the excessive persecution of the Jews during the war years. In contrast, there were no effective international protests against the aggressive racist policies up to the beginning of the war. The other 'domestic policies' against trade unions and left-wing parties were also tolerated for years, and the entire world was still courting the Nazis at the 1936 Olympic Games, which they knew how to exploit domestically.

And the disruptive aspect of the expansionist policy was not so much the occupation of the countries themselves (since an imperialist policy was pursued on all sides), but rather the steady increase in political and economic power that would have resulted from this and which would have ousted England and France from their dominant positions in European politics. Churchill set out the British position as early as March 1936 in a speech in the House of Commons: *"Please note that the policy of England takes no account whatever of which nation is seeking to dominate Europe. It does not matter whether it is Spain, the French monarchy, the German Reich or the Hitler regime. (...) That is why it seems so important to me that we should once again unite all the forces of Europe to thwart, if necessary, German rule..."*<sup>1296</sup>

This meant nothing other than that the long morally led war (against fascism, the extermination of the Jews and imperialism) had to be redirected posthumously into an (economic) ideologically led war (against communism).

As early as May 1945, Churchill himself *"looked forward with horror to the time when - after the withdrawal of the American troops - there would be nothing left between the white snowfields of Russia and the white cliffs of Dover to stop the Red Army"* and coined the term 'Iron Curtain' in his speech in Missouri on March 5, 1946, which the Soviet Union had lowered from Stettin to Trieste.<sup>297</sup>

After Roosevelt's death, a group of leaders and advisors in the new American administration, whose anti-communist and anti-Soviet stance was well known, was able to assert itself under the foreign policy inexperienced President Truman and immediately began to thwart the planned constructive policy of fair participation by the Soviet Union in the reorganization of world politics.<sup>298</sup>

After the Truman <sup>Doctrine</sup><sup>299</sup> was announced on March 12, 1947 and the Marshall Plan on June 5, 1947, the alliance of the Allies was finally broken. America's 'containment policy', the new 'policy of containment' (...of communism; editor's note) had been publicly propagated and the 'Cold War' declared.

[296] ZENTNER, Dr. K.: *Illustrated History of the Third Reich*. Südwest Verlag Neumann 1963; p. 456f.

[297] WASSMUND, HANS: *Grundzüge der Weltpolitik; Daten und Tendenzen von 1945 bis zur Gegenwart*. Munich : Verlag C.H. Beck, 1982, p. 34.

[298] WASSMUND, HANS: *Grundzüge der Weltpolitik; Daten und Tendenzen von 1945 bis zur Gegenwart*. Munich : Verlag C.H. Beck, 1982, p. 29.

[299] For the first time, the Truman Doctrine assured all "free" nations of military and economic aid and support from the USA in the event that their freedom was threatened by communism.



With the military victory and the fact that the US economy had become a world leader through war production and arms deals, the USA was the only winner of this world war. It had 'only' suffered 260,000 casualties, had an undestroyed economic potential and the entire Pacific region had been opened up without competition. The Soviet Union, on the other hand, had more than 20,000,000 dead (!), more than a third of all those killed in the war, and the country had been extensively destroyed by the war. By comparison, the German Reich had 'only' 5,000,000 dead, the cities had been bombed, but the factories were still relatively undestroyed (according to the Allied bombing plans of 'demoralization') - as they were still needed.<sup>300</sup>

As a result of the war, US capital had achieved a leading position worldwide in economic, military and therefore also political terms, and this 'new world order' now had to be consolidated and defended.

It was consolidated through the establishment of a global economic system in accordance with the Bretton Woods negotiations (see section on economic development), which corresponded to the wishes of the American economy and which was also placed in a global political framework through the founding of the United Nations. (Although the World Bank is formally only a subsidiary organization of the United Nations, the question remains as to which of these two organizations is whose brainchild).

And this top position could be defended from August 6, 1945 with the atomic bomb. The 'Manhattan Project', begun in 1943 under Roosevelt in order to be able to use the bomb before and against Nazi Germany, was successfully completed under Truman, who had it dropped over the Japanese city of Hiroshima against various obstacles in order to demonstrate to the world - especially the Soviet Union - what military power was now in the hands of the USA.

### 5.1.3. The two American camps

Against this background, it is now easier to understand why, in terms of concrete policy in occupied Germany, a conflict developed between two groups with different intentions within the American military government.

The basis of the joint Allied policy in occupied Germany was to be the Potsdam Agreement (cf. Section 5.1.1); in accordance with it, *"the supreme governmental authority in Germany shall be exercised by the commanders-in-chief of the armed forces of the USA, Great Britain, the USSR and France in accordance with the instructions of their respective governments, each in his zone of occupation, and jointly in their capacity as members of the Control Council in matters affecting Germany as a whole."*<sup>301</sup>

The US commander-in-chief in Germany (and thus military governor of the American occupation zone) from July 1945 was General Dwight D. Eisenhower (later US President 1952-

- [300] Information on the number of war dead from: PLOETZ: *History of the World Wars*. Freiburg 1981, p. 151. quoted from: EGNER, A.; KRAUME, H.; MÜLLER, B.; VÖHRINGER, M.: *Demokratie und Diktatur; Deutsche Geschichte 1918 - 1945*. Hannover : Schroedel-Schönigh, 1986, ISBN: 3-507-10281-1, p. 184.
- [301] DEUERLEIN, E.: Potsdam 1945. paperback 1963, p. 350ff. quoted from: MICKEL, KAMPMANN, WIEGAND: *Politik und Gesellschaft*. Frankfurt/M : Hirschgraben-Verlag, 3rd ed. 1973 (Vol. 2 1917 to today.) - ISBN 3-454-592-00-3, p. 171f.



The I.G. should pay: Treasury Secretary Morgenthau visits US troops in Europe

(O.M.G.U.S.: *Investigations against the I.G. Farbenindustrie A.G.* - Ed. Hans Magnus Enzensberger; Nördlingen : Verlag Franz Greno, 1986 (Special volume of the Other Library) - ISBN: 3-891-900-198)

1961); his deputy and later successor was General Lucius D. Clay. In December 1942, he was assigned a financial advisor from Morgenthau's Treasury Department, namely Colonel Bernard Bernstein. He put together a powerful staff of financial officers, some of whom had previously worked as search specialists and anti-trust cartel experts at the Treasury and Justice Departments, and in this way a group of left-wing Keynesians was established in the US Army, which constantly expanded with the formation of new departments. One of these departments was the I.G. Farben project of the 'Finance Task Force', a subdivision of the 'Finance Division' set up in March 1945 and headed by Colonel Bernard Bernstein.

Since Bernstein and his staff remained in contact with their Treasury Secretary Morgenthau independently of the military command structure, a third planning partner for American occupation policy had been added to the War and State Departments, which the other two were reluctant to tolerate.

Because Morgenthau and his Treasury Department got

in this way uncensored what was happening in the countries that the Western Allies had occupied since 1942/43: Namely, *"how their foreign ministry, in collusion with the British, organized clerical-royalist sign changes instead of liberation from fascism."*<sup>302</sup> As something similar was to be expected for Germany, Morgenthau already suspected in June 1944: *"The German war machine already has plans for survival (...) The Germans will probably offer us Hitler and the whole Nazi gang to beat out better peace terms. But we will not be bribed. Our terms are unconditional surrender."*<sup>303</sup> *"The more I think about this problem (...), the clearer it seems to me that the motive of most of those who oppose a weak Germany (...) is simply an expression of their fear of Russia and communism. It is the twenty-year-old idea of the 'bulwark against Bolshevism' - one of the factors that has brought us the present war."*<sup>304</sup> Morgenthau, Bernstein and their associates were probably among those who had the greatest influence in this war.

[302] O.M.G.U.S.: *Investigations against I.G. Farbenindustrie A.G.* - Ed. Hans Magnus Enzensberger; Nördlingen : Verlag Franz Greno, 1986 (Special volume of the Other Library) - ISBN: 3-891-900-198, p. L.

e.g. Algerian coup → Darlan affair; Italy → fascist-royalist coup.

[303] BLUM, J.M.: *From the Morgenthau Diaries*. Vol.3; p. 333. here quoted from: O.M.G.U.S.: *Ermittlungen gegen die I.G. Farbenindustrie A.G.* - Ed. Hans Magnus Enzensberger; Nördlingen : Verlag Franz Greno, 1986 (Sonderband der Anderen Bibliothek) - ISBN: 3-891-900-198, p. LI.

[304] BLUM, J.M.: *From the Morgenthau Diaries*. Vol.3; p. 333. here quoted from: O.M.G.U.S.: *Ermittlungen gegen die I.G. Farbenindustrie A.G.* - Ed. Hans Magnus Enzensberger; Nördlingen : Verlag Franz Greno, 1986 (Sonderband der Anderen Bibliothek) - ISBN: 3-891-900-198, p. LI.

also saw a fight against fascism itself. The discrediting view of the 'Morgenthau Plan' as an effort to 'degrade' Germany into an agrarian state was probably more a consequence of the distorting mask of the Cold War than of reality.

*"The American left-wing Keynesians had a precise picture of Germany's economic situation towards the end of the war. They assumed that the armaments boom of the Nazi era had gigantically exacerbated the structural imbalances: a bankrupt agriculture as well as undercapitalized consumer goods industries and the construction industry stood in contrast to overcapitalized large companies in the chemical, electrical and steel industries, which had appropriated the national economic resources and mass incomes without restriction. They (the left-wing Keynesians) wanted to reduce this catastrophic imbalance, and only here did they see opportunities for a permanently disarmed peace economy."*<sup>305</sup>

The Morgenthau Plan was to prove its validity in the liquidation of the I.G. Farben Trust as an exemplary case.

But such ideas also had powerful and determined opponents. The US economy needed a flourishing German industry in order to maintain its high level (see 5.1.2), and these interests were well represented: on the one hand in the USA by the State and War Departments and on the other hand in occupied Germany by their employees in the Military Government and its Economic Division.

The economics department was staffed throughout by officers who, in peacetime, pursued their business on Wall Street and in the corporate floors of the electrical, automobile and steel industries. It was headed by the investment banker William H. Draper.

In his capacity as Eisenhower's (and later Clay's) political advisor, Robert Murphy was Bernstein's equal and an intimate political enemy. As early as the summer of 1945, a senior officer of the Industry Branch (a subdivision of the Economic Division) asked quite openly: *"How can I be expected to get the German factories going again if I am not allowed to use Nazis and German cartels?"*<sup>306</sup> And only those who knew that they had strong allies behind them spoke so freely, such as Lucius D. Clay, chief occupation officer and Eisenhower's deputy, *"whom not only the Morgenthau entourage labeled a 'fascist'."* (Truman agreeing with Kilgore's remark)<sup>307</sup>

Thus, at the end of the war, the camps of the Treasury Department (Morgenthau, Bernstein, the Finance Division and the I.G. Farben Investigative Group) and those of the State and War Departments (Eisenhower/Clay, Murphy, Draper, the Economic Division and the Industry Branch) faced each other and each wanted to achieve their own goals.

[305] O.M.G.U.S.: *Investigations against I.G. Farbenindustrie A.G.* - Ed. Hans Magnus Enzensberger; Nördlingen : Verlag Franz Greno, 1986 (Special volume of the Other Library) - ISBN: 3-891-900-198, p. LIII.

[306] Kilgore Subcommittee, Part 8, Testimony Bernstein; p. 1108. here quoted from: O.M.G.U.S.: *Ermittlungen gegen die I.G. Farbenindustrie A.G.* - Ed. Hans Magnus Enzensberger; Nördlingen : Verlag Franz Greno, 1986 (Sonderband der Anderen Bibliothek) - ISBN: 3-891-900-198, p. XXV.

[307] O.M.G.U.S.: *Investigations against I.G. Farbenindustrie A.G.* - Ed. Hans Magnus Enzensberger; Nördlingen : Verlag Franz Greno, 1986 (Special volume of the Other Library) - ISBN: 3-891-900-198, p. XXXVIII.

## 5.2. The occupation policy

### 5.2.1. The power struggle between the two American camps

The positions of these two groups in the US government were irreconcilable. The disputes over American post-war policy had already begun in 1942, when the Allies began to think about the future of Germany. In 1944, President Roosevelt withdrew the signature he had already given to the 'Morgenthau Plan'. Roosevelt died on April 12, 1945, his Secretary of the Treasury Morgenthau resigned before the Potsdam Conference; a more precise date and a statement of reasons were (significantly?) not to be found in any literature.



(O.M.G.U.S.: *Investigations against I.G. Farbenindustrie A.G.* - Ed. Hans Magnus Enzensberger; Nördlingen : Verlag Franz Greno, 1986 (Special volume of the Other Library) - ISBN: 3-891-900-198)

Both groups initially pursued their own goals alongside each other, although the work of the Finance Task Force was also hindered by the Industry Branch.

In the first months after the war, an open power struggle finally broke out, in the course of which one of the two groups had to assert itself; these conflicts can only be briefly outlined here:

On March 29, 1945, the first soldiers entered the I.G. Tower in Frankfurt. The first task was to prevent the further abduction and destruction of incriminating files by I.G. employees. Then the material collected from all parts of the occupied German Reich had to be translated, viewed and sorted.

become.

Colonel Bernstein's I.G. Investigation Group of the 'Finance Division' began its work in the spring of 1945. *"It had clear political ideas: It wanted to document all previous arguments for the dismantling of I.G. Farbenindustrie AG and at the same time deepen them analytically. The first task was to uncover the company's international relations, the second was to reveal its involvement in the Nazi war of conquest, and the third was to investigate its internal connections to the NSDAP and the Wehrmacht's rearmament program. Bernstein's investigators hoped that this work would have a signal effect."*<sup>308</sup> The I.G. investigation team was able to carry out its work relatively undisturbed until July 1945.

[308] O.M.G.U.S.: *Investigations against I.G. Farbenindustrie A.G.* - Ed. Hans Magnus Enzensberger; Nördlingen : Verlag Franz Greno, 1986 (Special volume of the Other Library) - ISBN: 3-891-900-198, p. XXIV.

In contrast, the 'Industry Branch' endeavored to cooperate with the bureaucracy of the Nazi state. As early as the beginning of May - months before the Potsdam Conference - it established contacts with the 'Foreign Trade Department of the Reich Industry Group', which had relocated from Berlin to Bayreuth. A short time later, the 'Department for Mechanical Reporting of the Reich Industry Group' moved from Gera (located in the Soviet Occupation Zone) to Bad Nauheim, near the American headquarters, on the advice of officers from the Economics Department. Renamed the 'Statistical Office', this department was incorporated into the 'Industry Branch'. In the summer of 1945, against the protest of the Soviet Union, the 'Ministerial Collecting Center' was set up, in which the ministerial bureaucracy of the Reich Ministry of Economics and Finance and the Reich Chamber of Commerce worked on the continuity of German economic policy. The 'Economic Division' had thus taken over practically the entire administrative apparatus of the Nazi economy unchanged and the influence of National Socialism was secured beyond the capitulation in the emerging post-war Germany.

At the latest after the 'Industry Branch' of the 'Economic Division' had been given the CALVIN-HOOVER <sup>Report309</sup>, which for the first time propagated a one-sided West Zonal export program, and after Bernstein had submitted his I.G. investigation report two days later, on September 12, 1945, it was clear that the status quo of the two rival parties could no longer be maintained.

And military governor Clay acted unequivocally: on September 12, 1945, the Finance Division was dissolved in its previous structure, and its new head was the civilian J. M. Dodge. Bernstein himself was demoted to head of a new department for cartel investigations and two days later was dismissed from the I.G. Advisory Commission. Two weeks later, Bernstein flew to Washington, where a new dispute arose between the War, State and Commerce Departments, which meant a defeat for Bernstein. Although he still appeared in public on December 11 and 12 in the Kilgore subcommittee, in which he also described how imprisoned I.G. directors were taken out of the prisons by I.G. Farben control officer Pillsbury, he had resigned for himself.

The decisive battle for the future of I.G. Farben finally had to be fought towards the end of the year. In 1945, the men and women in Morgenthau and Bernstein's departments finally considered it lost.

### 5.2.2. The treatment of chemical companies

In the first months after the war, a whole series of laws and ordinances were issued to ensure effective control of the chemical companies. With the confiscation of I.G. Farben's assets ordered by Control Council Law No. 5, the assets formally became the property of the Control Council. With Control Council Law No. 9, it was agreed to break up the I.G. Farben Group in order to prevent the German chemical industry from influencing political life in the future. To this end, it was to be divided into a whole series of small units.

Specifically, the treatment of I.G. companies was handled differently in each zone. The I.G. factories located in the Soviet zone were either dismantled or transferred to so-called 'Soviet joint stock companies' through socialization. In the French zone, administration was carried out by the military government. In its zone, the US military government appointed a

[309] The Calvin Hoover Report is regarded as the forerunner of the Marshall Plan.

German trustee, who was able to work independently without any major restrictions. With the exception of the Leverkusen, Uerdingen, Elberfeld and Dormagen plants, the plants located in the British zone were regarded as a unit and managed by a control officer. These plants had a special status as they were managed by German trustees. The practical management of the plants in the British zone was in the hands of the German plant management.<sup>310</sup>

However, contrary to the laws and regulations resulting from the Potsdam Agreement, the officers of the Industry Branch were unwilling to break up I.G. Farben. Once they had secured the cooperation of the functional elites of the Nazi bureaucracy, the officers of the Industry Branch set about restarting the chemical companies. This was usually done according to a simple scheme: first the workers were locked out and the formation of trade unions was prohibited. Then they sat down with the management and discussed how to proceed. For factories located in the territory of the Soviet Occupation Zone (e.g. in the Leuna factories), it was agreed to sabotage <sup>operations</sup><sup>311</sup>, while in the factories located in the western zones, the aim was to resume production as quickly as possible, as far as this was possible within the limited energy supply and transport capacities. At the same time, the number of dismissals of 'apolitical' plant managers, engineers and chemists increased. This restoration policy was justified to the public on the grounds that it was the only way to obtain sufficient foreign currency for food imports. However, it is easy to imagine that the supply of food to the population could not be secured by more chemicals, more steel products and more products from the electrical industry, but rather by financial aid for the undercapitalized food industry.

In view of the fact that 87% of I.G.'s production capital had remained <sup>intact</sup><sup>312</sup>, it is not surprising that the commissioning of the I.G. factories was almost complete by the end of 1945. According to an inventory carried out by the Investigation Department for Cartels and Foreign Assets in December 1945, production had resumed in almost all of the 55 I.G. factories, with the exception of two factories that had been destroyed and three factories that had been released for reparations.<sup>313</sup>

In the spring of 1946, development had already progressed to such an extent that the first expansion investments were already underway, even for plants that would have had to be dismantled even with the most generous interpretation of the regulations. The fact that the actions of the Industry Branch were dramatically opposed to the Potsdam Agreement did not bother them in the slightest.

- [310] SCHNECKENBURGER, ARTHUR: *The history of the I.G. Farben Group; the significance and role of a major company*. Cologne : Pahl-Rugenstein, 1988 - ISBN 3-7609-5242-9, pp. 127, 128.
- [311] O.M.G.U.S.: *Investigations against I.G. Farbenindustrie A.G.* - Ed. Hans Magnus Enzensberger; Nördlingen : Verlag Franz Greno, 1986 (Special volume of the Other Library) - ISBN: 3-891-900-198, p. XXVI.
- [312] O.M.G.U.S.: *Ermittlungen gegen die I.G. Farbenindustrie A.G.* - Ed. Hans Magnus Enzensberger; Nördlingen : Verlag Franz Greno, 1986 (special volume of the Other Library) - ISBN: 3-891-900-198, p. XXXIX. Cf. also: *Befreites Leuna (1945-1950), Die Geschichte des Kampfes der Leuna-Arbeiter*, Teil 2, Berlin, 1959, p. 24ff.
- [313] SCHNECKENBURGER, ARTHUR: *The history of the I.G. Farben Group; the significance and role of a major company*. Cologne : Pahl-Rugenstein, 1988 - ISBN 3-7609-5242-9, p. 117.

## 5.3. The war crimes trial against I.G. Farben

### 5.3.1. The history of the war crimes trials

The discussion about the treatment of war crimes did not only begin after Germany's capitulation. As early as 1940, the Czech, French and Polish governments lodged official protests against the crimes of the German occupation in Czechoslovakia and Poland. The USA, England and the Soviet Union also protested against looting, destruction and the brutality and atrocities committed against prisoners of war and the civilian population.<sup>314</sup>

At conferences in St. James near London (January 1942), Moscow (November/December 1943) and finally in London (June to August 1945), guidelines were laid down for the punishment of war crimes. It was agreed that those responsible for the crimes committed would be sent back to the countries in which they had been committed. They were to be punished according to the law of the liberated countries by the governments there. The main war criminals, however, whose crimes could not be pinpointed to a geographically identifiable location, were to be sentenced on the basis of a joint decision by the Allies.

In order to try this second group of war criminals, an International Military Tribunal (IMT) was set up with the participation of the four victorious powers and based in Berlin.<sup>315</sup> Nuremberg was chosen as the venue for the trials. Judge Robert H. Jackson, who had already represented the USA in the negotiations on the modalities for conducting the war crimes trials and played a decisive role in determining the guidelines for the trials, was appointed as the chief representative of the USA in the IMT and the main prosecutor for all war crimes trials in which the USA was involved. Between 20.11.1945 and 1.10.1946, the first and only trial before the IMT took place against 24 individuals and 6 'groups or organizations'.

In the first half of 1946, the four victorious powers held negotiations on a second main war crimes trial before the IMT, which was to be directed against leading industrialists. Schmitz and von Schnitzler were to be indicted from the ranks of the I.G. directors. However, these negotiations were broken off without result, as Great Britain and the USA, in contrast to France and the Soviet Union, rejected such a trial. The reasons for the USA's rejection are clear from a statement by Jackson: *"I am opposed to such further trials and cannot recommend them to the US government. From our American point of view, there is very little to be gained by such a trial against the industrialists, but the risk we run with it can be tremendous. I am afraid that a prolonged public attack upon private industry - and such an attack would occur in the course of this trial - might discourage the industrial cartels from continuing to cooperate with our Government in the armament measures which must be taken in the interests of our future defense."*<sup>316</sup>

It quickly became clear that the organizational difficulties arising from the complicated apparatus with 4 groups of judges and public prosecutors and the

[314] TAYLOR, TELFORD: *The Nuremberg Trials; War Crimes and International Law*. Europa-Verlag, Zurich 1950; p. 11.

[315] TAYLOR, TELFORD: *The Nuremberg Trials; War Crimes and International Law*. Europa-Verlag, Zurich 1950; pp. 12-21.

The resulting cumbersome four-language proceedings were too large to prosecute the many war criminals. For this reason, Control Council Law No. 10 (*"Punishment of persons guilty of war crimes, crimes against peace or against humanity"*<sup>317</sup>) contained the prerequisites for a simplified procedure, which gave the individual occupying powers the opportunity to prosecute and try war criminals who were in the territory of the respective zone.

Control Council Law No. 10 was implemented differently in the individual occupation zones. In the British zone, war crimes trials were held before military courts on the basis of a royal decree. In the French zone, a major trial was held in Rastatt near Baden-Baden against the Saarland steel magnate Hermann Röchling. We do not know whether such trials took place in the Soviet zone.

In the US zone, the Office of Chief of Counsel for War Crimes (OCCWC) was set up by the American military governor to conduct the trials and US Brigadier General Telford Taylor was appointed as its head. In the period from October 1946 to April 1949, 148 people were indicted and tried in a total of 12 trials before 'tribunals' also appointed by the military governor. As in the main war crimes trial, the venue was also Nuremberg. The trial against I.G. Farben was case no. 6.

### 5.3.2. Preparations for the I.G. Farben- process

Preparations for the drafting of the indictment for the trial against I.G. Farben began in the fall of 1946. Josuah DuBois was appointed to lead the prosecution. He was no stranger to the subject of I.G. Farben, having worked for almost 8 years on behalf of the US government to uncover the international connections of this corporation. Among other things, he was a member of Colonel Bernstein's staff and was responsible for the requisitioning of I.G. Farben's foreign assets.

Due to the considerable amount of material on the I.G. that the 'Finance Task Force' had compiled between spring 1945 and spring 1946, the central role of the I.G. in the planning and execution of the war and the associated atrocities was already clearly outlined by the end of 1945. One would therefore assume that every effort was made to bring those responsible in industry to justice. However, this was not the case, quite the opposite. The outcome of the power struggle within the US military government and the efforts to restart economic life at all levels as quickly as possible made it clear that the political and economic 'stabilization' of Germany was more important than any moral or ethical aspects.

The unwillingness to take German industrialists to court was also due to the fact that there were many similarities between the German industrialists and their US partners in the US military authority. These similarities went far beyond mere 'professionalism', as a whole range of business relationships existed between German and US companies.

[316] SCHNECKENBURGER, ARTHUR: *The history of the I.G. Farben Group; the significance and role of a major company*. Cologne : Pahl-Rugenstein, 1988 - ISBN 3-7609-5242-9, p. 120/121. cf. also: RADANDT, H.: *Fall 6, ausgewählte Dokumente und Urteil des IG-Farben- Prozesses*. Berlin 1970.

[317] SCHNECKENBURGER, ARTHUR: *The history of the I.G. Farben Group; the significance and role of a major company*. Cologne : Pahl-Rugenstein, 1988 - ISBN 3-7609-5242-9, p. 115.



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There was also a kind of 'professionalism' on the part of the US military. General Clay spoke out against prosecuting German generals because this could set a precedent for prosecuting US generals if the USA lost the next war.<sup>318</sup> The Pentagon was interested in an industrialist trial, but not to punish crimes committed, but to obtain information about chemical and nuclear weapons in the hands of Germany that might fall to the Soviets.<sup>319</sup> When finally Clay's political advisor, R. Murphy, refused to turn over documents incriminating German diplomats, DuBois was very discouraged. In his trial memoirs, he wrote: *"Most of the generals were opposed to the indictment of German generals; the diplomats were opposed to the indictment of German diplomats; and industrialists were opposed to the indictment of German industrialists. I think it would only be logical for Truman and Attlee to declare that the trial of Goering was a mistake. After the next war, there would be only one group left to prosecute - the victims in their graves."*<sup>320</sup>

But it was not only within the US military authorities that the mood against the condemnation of the opinion of the US public also changed in this direction. While Senator Kilgore caused a considerable stir in 1945 with the hearings he initiated on the events in Germany, in April Congressman John E. Rankin raised the mood against DuBois and his associates: *"What is happening in Nuremberg is a disgrace to the United States. All other countries have washed their hands of this trial orgy and withdrawn. But two and a half years after the end of the war a racial minority<sup>321</sup> is not only executing German soldiers in Nuremberg in the name of the United States, but also trying German businessmen."*<sup>322</sup>

Representative Dondero from Michigan even called DuBois a communist; he was *"a known leftist of the Ministry of Finance who had studied the communist party doctrine very closely"*.<sup>323</sup> Dondero made his accusations in connection with the business relations between I.G. and the US chemical company Dow Chemicals that had just come to light. DuBois wondered whether it was really just a coincidence that Dondero was the congressman from the US state in which Dow Chemicals had its headquarters.<sup>324</sup>

In addition to the political situation, the working conditions also caused problems for DuBois and his staff. The departments of the Prosecution Office, e.g. the typing department and the interpreting department, were hopelessly overloaded, as they were also available to the defense, which took up about 2/3 of the work capacity.<sup>325</sup>

[318] DUBOIS, JOSIAH: *Generals in gray suits*. London : The Bodley Head, 1953, p. 30.

[319] DUBOIS, JOSIAH: *Generals in gray suits*. London : The Bodley Head, 1953, p. 19ff.

[320] DUBOIS, JOSIAH: *Generals in gray suits*. London : The Bodley Head, 1953, p. 30.

[321] This racist quote refers to the fact that some of DuBois' employees were of Jewish descent.

[322] SCHNECKENBURGER, ARTHUR: *The history of the I.G. Farben Group; the significance and role of a major company*. Cologne : Pahl-Rugenstein, 1988 - ISBN 3-7609-5242-9, p. 121. cf. also: BORKIN, JOSEPH: *Die unheilige Allianz der I.G. Farben; eine Interessengemeinschaft im Dritten Reich*: Frankfurt/Main, New York : Campus Verlag, 1979, 1990 (Vol. 1030) - ISBN: 3-593-34251-0; Campus series.

[323] DUBOIS, JOSIAH: *Generals in gray suits*. London : The Bodley Head, 1953, p. 69.

[324] DUBOIS, JOSIAH: *Generals in gray suits*. London : The Bodley Head, 1953, p. 69.

[325] TAYLOR, TELFORD: *The Nuremberg Trials; War Crimes and International Law*. Europa-Verlag, Zurich 1950; p. 49.

The indictment was filed on May 3, 1947. It was directed against 24 I.G. Farben-Representatives.<sup>326</sup>



[326] SCHNECKENBURGER, ARTHUR: *The history of the I.G. Farben Group; the significance and role of a major company*. Cologne : Pahl-Rugenstein, 1988 - ISBN 3-7609-5242-9, p. 120.

#### I.G. Board members in court

(KÖHLER, OTTO: ... *und heute die ganze Welt; The history of I.G. Farben and its fathers*. Hamburg, Zurich : Rasch und Röhrig Verlag, 1986 - ISBN 3-89438-010-1, p. 184).

- Carl Krauch, Chairman of the Supervisory Board
- Hermann Schmitz, General Manager

the members of the Executive Board:

- Georg von Schnitzler, Fritz Gajewski, Heinrich Hörlein, August von Knieriem, Fritz ter Meer, Christian Schneider, Otto Ambros, Ernst Bürgin, Heinrich Bütetisch, Paul Häflinger, Max Ilgner, Friedrich Jähne, Carl Lautenschläger, Hans Kühne, Wilhelm Mann, Heinrich Oster, Carl Wurster;

also the I.G. Farben employees:

- Walter Dürrfeld, Heinrich Gattineau, Erich von der Heyde, Hans Kugler.

The indictment contained the following <sup>charges<sup>327</sup></sup>:

- Planning, preparation, initiation and execution of wars of aggression
- Robbery and looting
- Exploitation, enslavement and extermination of forced laborers and prisoners
- Membership of the SS (Schneider, Bütetisch, von der Heyde)
- Conspiracy to commit crimes against peace

### 5.3.3. The process flow

The trial began on August 27, 1947. 4 judges were appointed to preside over the proceedings: Judge Curtius Grover Shake was appointed to preside. He was joined by Judge Paul M. Hebert and Judge James Morris. Clarence F. Merrell was deputy. The prosecution team led by Josuah DuBois consisted of a dozen lawyers and specialists. The 23 defendants were represented by 60 of the best lawyers in Germany, supported by 20 auditors and specialists.

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[327] SCHNECKENBURGER, ARTHUR: *The history of the I.G. Farben Group; the significance and role of a major company*. Cologne : Pahl-Rugenstein, 1988 - ISBN 3-7609-5242-9, p. 120.

The prosecutors' tactic was to portray the defendants as functionaries and to establish their guilt for the crimes committed on the basis of their positions within the

I.G. understandable. In order to prove guilt, a connection had to be established between the functions held by the accused and the crimes. The prerequisite for this was the disclosure of the internal structure of the I.G., the interconnectedness of the

I.G. with state and party and their relations with other chemical companies in the form of trusts, cartels and syndicates.<sup>328</sup>

However, this approach met with a lack of understanding from the judges.<sup>329</sup> In their opinion, the presentation of this

structures were not suitable to prove the guilt of the defendants, as I.G. was just one industrial group, like thousands of others in the world. Only those acts in which a direct causal relationship could be established between the perpetrator, the act and the victim were considered crimes according to their interpretation of the law. But this was precisely where a major, fundamental problem lay. In the case of murder or bank robbery, this is relatively easy. In a system as complex and inscrutable as this gigantic corporation, it is very difficult. Moreover, I.G. was not charged as a legal entity.<sup>330</sup>

This confusing picture, which even the prosecutors had difficulty seeing through, was reinforced by the defendants. The I.G. managers rejected all blame and pointed to Krauch's Wehrmacht placement office, an office with so many duties that one person alone could not possibly be held responsible. However, if a finger pointed too directly at Krauch himself, he pointed his finger back at I.G., a corporation far too complex for anyone to be held responsible for what he did. After all, there were so many fingers pointing in so many different directions that one inevitably had to come to the fatalistic conclusion that everything that happened was beyond any human control.<sup>331</sup> The judges were not prepared to pay enough attention to see through this confusion.

In his trial memoirs, DuBois cites two further reasons for the rejection of the judge at this early stage of the proceedings. On the one hand, Judge Morris lacks interest in the case (!), on the other hand, the trial is taking too long. Judge Morris also says why: "*We should be afraid of the Russians. I wouldn't be surprised if they overrun the courtroom before we're finished here.*"<sup>332</sup> So the first signs that the



Carl Krauch before the Nuremberg court

(BORKIN, JOSEPH: *Die unheilige Allianz der I.G. Farben; eine Interessengemeinschaft im Dritten Reich*: Campus Verlag, Frankfurt/Main, New York 1979, 1990 (Vol. 1030), ISBN: 3-593-34251-0; Campus series)

[328] DUBOIS, JOSIAH: *Generals in gray suits*. London : The Bodley Head, 1953, pp. 93-96.

[329] DUBOIS, JOSIAH: *Generals in gray suits*. London : The Bodley Head, 1953, pp. 76f, 93-96.

[330] SCHNECKENBURGER, ARTHUR: *The history of the I.G. Farben Group; the significance and role of a major company*. Cologne : Pahl-Rugenstein, 1988 - ISBN 3-7609-5242-9, p. 123.

[331] DUBOIS, JOSIAH: *Generals in gray suits*. London : The Bodley Head, 1953, p. 234.

[332] DUBOIS, JOSIAH: *Generals in gray suits*. London : The Bodley Head, 1953, p. 95.

Changes in the global political situation, the beginning of the Cold War, influenced the judges. An aspect that was to become much more pronounced in the course of the trial.

As the judges were obviously not prepared to follow DuBois' reasoning, the prosecutors had to change their tactics and try to prove the guilt of each defendant for each individual crime. The key figure in this was Georg von Schnitzler. In his first interrogation immediately after the end of the war, he heavily incriminated his fellow board members. Statements such as (I.G. had *provided...*) *"substantial and even decisive assistance for Hitler's foreign policy, which led to war and the ruin of Germany"*<sup>333</sup> could have served as serious arguments had von Schnitzler not recanted these statements shortly before the start of the trial under pressure from the other defendants. After a debate on the question of whether and under what circumstances statements had been made voluntarily or not, the court rejected von Schnitzler's statements on the grounds that he had *"undoubtedly been somehow mentally confused by the hardships that had befallen Germany, his company 'Farben' and him personally. His willingness to tell his interrogators what they wanted to hear is obvious"*.<sup>334</sup> On the other hand, statements made by the defendants during the trial, which they were able to deny without hindrance, were declared valid evidence. The court largely followed the defense's arguments that the defendants had all acted on orders, under pressure, under duress, in a state of emergency, i.e. generally without personal responsibility, or had known nothing about anything.

The defense also scored points by appealing to the patriotic feelings of the judges. Claims that the I.G. representatives *"like any good American businessman, feared nothing more than the spread of communism"*<sup>335</sup> were well received by the court. This fitted the judges' world view much better than the prosecutors' arguments, which not only accused German industrialists, but also brought US companies into the discussion by inevitably bringing their links with the I.G. to light. This was a dilemma that caused DuBois and his people a serious headache.<sup>336</sup> The exploitation of the atmosphere of the incipient Cold War went so far that Krauch's lawyer even celebrated Hitler as a fighter against communism: *"How right Hitler was in explaining his policy (...) can be proven by the European developments of recent months."*<sup>337</sup>

In addition, the court agreed to a request by the defense that there should be *"a common plan or a conspiracy to commit war crimes and crimes against humanity in the legal sense cannot exist, insofar as such crimes are concerned within the meaning of the definition given in Control Council Law No. 10"*.<sup>338</sup> The entire legal basis for the charges of 'conspiracy' and 'planning (...) of wars of aggression' was thus withdrawn. The de facto acquittal of all defendants on these counts restricted

- [333] SCHNECKENBURGER, ARTHUR: *The history of the I.G. Farben Group; the significance and role of a major company*. Cologne : Pahl-Rugenstein, 1988 - ISBN 3-7609-5242-9, p. 123.
- [334] SCHNECKENBURGER, ARTHUR: *The history of the I.G. Farben Group; the significance and role of a major company*. Cologne : Pahl-Rugenstein, 1988 - ISBN 3-7609-5242-9, p. 123. DUBOIS, JOSIAH: *Generals in gray suits*. London : The Bodley Head, 1953, pp. 60-66.
- [335] SCHNECKENBURGER, ARTHUR: *The history of the I.G. Farben Group; the significance and role of a major company*. Cologne : Pahl-Rugenstein, 1988 - ISBN 3-7609-5242-9, p. 123.
- [336] DUBOIS, JOSIAH: *Generals in gray suits*. London : The Bodley Head, 1953, pp. 87-89.
- [337] BORKIN, JOSEPH: *Die unheilige Allianz der I.G. Farben; eine Interessengemeinschaft im Dritten Reich*: Frankfurt/Main, New York : Campus Verlag, 1979, 1990 (Vol. 1030) - ISBN: 3-593-34251-0; Campus series, p. 136.
- [338] SCHNECKENBURGER, ARTHUR: *The history of the I.G. Farben Group; the significance and role of a major company*. Cologne : Pahl-Rugenstein, 1988 - ISBN 3-7609-5242-9, p. 123.

The court greatly reduced the possible sentence for the remaining charges, even though not even half of the trial was over.

This decision by the court put the prosecutors on the defensive. There was nothing left of their original strategy. The only thing they could still do was to single out individual crimes and assign guilt to individual defendants. However, the means at their disposal were very limited. The court did not allow the presentation of the functions of the individual defendants within the group and the associated approval of all important events. Witness statements were worth nothing. The file material was not much help either, as much important evidence had been destroyed. On



Krauch, Schmitz, Ilgner, v. Schnitzler, Gajewski, Gattineau and von der Heyde at the Nuremberg Trial

(BORKIN, JOSEPH: *Die unheilige Allianz der I.G. Farben; eine Interessengemeinschaft im Dritten Reich*: Campus Verlag, Frankfurt/Main, New York 1979, 1990 (Vol. 1030), ISBN: 3-593-34251-0; Campus series)

At the end, the discussion was limited to questions such as whether or not ter Meer had noticed the unbearable stench of the crematoria during his few visits to Auschwitz.

The defense's argumentation in this area contained two main points. One was to emphasize the pro-Jewish intentions of the defendants by highlighting the rare instances in which Jewish directors and executives had been protected. The defense's other line of argument was to demonstrate the I.G.'s good treatment of the forced laborers. To this end, it presented a whole series of affidavits from I.G. Farben workers and former concentration camp prisoners. However, none of the 15 witnesses selected by the prosecution were able to withstand cross-examination.

The trial ended on May 12, 1948 after 152 days of hearings. On July 29, 1948, the court convened to announce its decision. The verdict, broken down by charge, <sup>was<sup>339</sup></sup>:

- a) Planning and preparation of wars of aggression (e.g. outstanding participation in armament, espionage; weakening the economy and defense power of other countries through international cartel agreements, etc.).  
Acquittal of all 23 defendants.
- b.) Waging wars of aggression.  
Acquittal of all 23 defendants.
- c.) Participation in a conspiracy to commit crimes against peace, war crimes and crimes against humanity.  
Acquittal of all 23 defendants.

[339] SCHNECKENBURGER, ARTHUR: *The history of the I.G. Farben Group; the significance and role of a major company*. Cologne : Pahl-Rugenstein, 1988 - ISBN 3-7609-5242-9, p. 126.

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- d.) Participation in mass murder (in particular complicity in the gassings in Auschwitz and other concentration camps, supply of poison gas for this purpose).  
Acquittal of all 23 defendants.
- e.) Criminal experiments on people, especially inmates of concentration camps.  
Acquittal of all 23 defendants.
- f.) Membership of three defendants in the SS.  
Acquittal of all 23 defendants.
- g.) 'Robbery and plunder' (violations of the property guarantee of the Hague Land Warfare Convention) with regard to Austria, Czechoslovakia, Russia and with regard to the 'Rhône-Poulenc' and 'Diedenhofen' cases.  
Acquittal of all 23 defendants.
- h.) Use and improper treatment of prisoners of war in I.G. factories (except 'Fürstengrube').  
Acquittal of all 23 defendants.
- i.) Use and improper treatment of foreign forced laborers and prisoners from concentration camps in I.G. factories (except 'Buna-Werk Auschwitz' and 'Fürstengrube').  
Acquittal of all 23 defendants.
- j.) Use and improper treatment of foreign forced laborers and prisoners from concentration camps in the 'Buna-Werk Auschwitz' and in the 'Fürstengrube'.  
Conviction of 5 defendants, acquittal of 18 defendants.
- k.) 'Robbery and looting' in Poland, Norway and in the cases of 'Francolor', 'Schiltigheim' and 'Farbwerke Mühlhausen'.  
Conviction of 9 defendants, acquittal of 14 defendants.

The individual penalties amounted <sup>to</sup><sup>340</sup>:

Carl Krauch:	6 years in prison
Herman Schmitz:	4 years in prison
Georg von Schnitzler:	5 years in prison
Fritz ter Meer:	7 years in prison
Otto Ambros:	8 years in prison
Ernst Bürgin:	2 years in prison
Heinrich Bütetisch:	6 years in prison
Paul Häflinger:	2 years in prison
Max Ilgner:	3 years in prison
Friedrich Jähn:	1 1/2 years in prison
Heinrich Oster:	2 years in prison
Walter Dürrfeld:	8 years in prison
Hans Kugler:	1 1/2 years in prison

This verdict exceeded the worst fears of the prosecutors. The defendants were acquitted of all charges relating to the planning, preparation and execution of the Second World War. According to the verdict, they were also not complicit in mass murder and the supply of the poison gas used for this purpose, as well as in criminal experiments on human beings.

[340] SCHNECKENBURGER, ARTHUR: *The history of the I.G. Farben Group; the significance and role of a major company*. Cologne : Pahl-Rugenstein, 1988 - ISBN 3-7609-5242-9, p. 126.

The judges were also of the opinion that the appropriation of property that took place before the start of the war, in particular chemical factories in Austria and Czechoslovakia, was not unlawful. Only the use of prisoners of war and concentration camp inmates in Auschwitz and the looting of chemical plants in Poland and Norway were punishable in the eyes of the court.



Disappointed faces: The prosecution at the sentencing, 5th from left is J. DuBois, 2nd from right T. Taylor.

((O.M.G.U.S.: *Investigations against I.G. Farbenindustrie A.G.* - Ed. Hans Magnus Enzensberger; Nördlingen : Verlag Franz Greno, 1986 (Special volume of the Other Library) - ISBN: 3-891-900-198)

The prosecutors were deeply disappointed by this verdict. The sentences were "*so lenient that they would have pleased even a chicken thief*".<sup>341</sup>

The verdict was not unambiguous. Soon after the trial began, considerable differences of opinion emerged, which led to the tribunal being split into two halves. Judges Shake and Morris took a very pro-defense stance. The opinions of these two judges were decisive for the verdict. The other two judges, Hebert and Merrell, agreed with the prosecutors on the guilt of the defendants on all counts.

[341] DUBOIS, JOSIAH: *Generals in gray suits*. London : The Bodley Head, 1953, p. 339.



## 5.4. The "Unbundling"

Although the course for the future of I.G. had already been set three years earlier, the official discussion about the future structure of the German chemical industry began in the fall of 1948. At this time, the 'bipartite I.G. Farben Control Committee' (BIFCO) formed by the bizonal administration submitted its first report. In it, the Allies reaffirmed their intention to realize the plan laid down in Control Law No. 9 and to divide the Group into around 50 small units. This opinion did not change when France joined this commission, whose name was therefore changed to TRIFCOG (tripartite I.G. Farben Control Group). On August 17, 1950, the Allied High Commission issued Law No. 35, which regulated the division of I.G. Farben's assets: the company's holdings in the three western zones were to be split into an (undisclosed) number of individual companies, so that an effective division of ownership and appropriate competition within the chemical industry in Germany would be guaranteed.<sup>342</sup> For the I.G. managers, this 'atomization policy', as they called it, was of course unacceptable.

The German industrialists and bankers, meanwhile, received very soon had the opportunity to actively and officially intervene in the decision-making process. On 30.11.1948, the Allied High Commission set up a German panel of experts called FARDIP (Farben Dispersal Panel), which institutionalized the influence of German industry on Allied policy for the first time. FARDIP consisted of 6 leading industrialists and bankers who covered the entire spectrum of German economic life. The 'blameless' I.G. director O. Löhner was directly responsible for maintaining continuity with the I.G.. These experts were to support BIFCO in an advisory capacity, which they did with extraordinary diligence. Between January 1949 and June 1950, FARDIP commissioned a large number of studies in which they analyzed economic and



economic policy factors, such as optimal company size and export capability, in the to the fore. They wanted to avoid politicizing the unbundling discussion at all costs. The "political act of the Allies" on unbundling was "only countered by economic considerations".<sup>343</sup>

As a result of his work, FARDIP presented the outline of an overall plan on June 29, 1950, which provided for the formation of 3 core companies in addition to the division of the Group into 22 units. These core companies were to be large enough to ensure competitiveness on the international market. In their reasoning, they followed the founding concept of I.G. Farben developed by Carl Duisberg, which aimed to "eliminate competition (...) and achieve greater benefits by merging similar operations, through uniform management and control and by uniting sales in one hand".<sup>344</sup>

The

[342] BORKIN, JOSEPH: *Die unheilige Allianz der I.G. Farben; eine Interessengemeinschaft im Dritten Reich*: Frankfurt/Main, New York : Campus Verlag, 1979, 1990 (Vol. 1030) - ISBN: 3-593-34251-0; Campus series, p. 144.

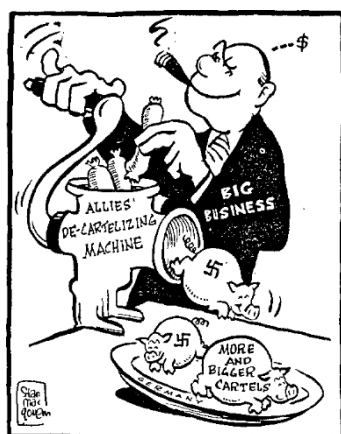
[343] KREIKAMP, H.-D.: The unbundling of I.G. Farben AG and the founding of its successor companies. In: *Vierteljahrshefte für Zeitgeschichte* 25, No. 2 (1977); p. 225.

[344] DUISBERG, CARL: *My memoirs*. Leipzig : Philipp Reclam jun., 1933, p. 88.

The economic policy position of FARDIP (and thus of the I.G.) was in strict contradiction to the regulatory ideas of the Allies.

In order to find a compromise solution, TRIFCOG revised its opinion and presented the so-called ABD report on November 30, 1950, which explicitly incorporated the demands made by FARDIP. This signaled the Allies' fundamental agreement with the German ideas.

In terms of content, however, the ABD report came to different conclusions. The reestablishment of BASF in its old form was out of the question. In the treatment of the other two large corporations, however, the report contained strong deviations from the German position. The Allies demanded extensive spin-offs from the Bayer complex, while the Höchst complex was not to be integrated to the extent demanded by FARDIP.<sup>345</sup> The integration of Cassella in particular appeared to fail, as Cassella was strongly in favor of economic independence.



FARDIP sought and found support from the German government. Federal Economics Minister Erhard had shrewdly appointed two senior I.G. employees (Prenzel and von Rospatt) to the department responsible for I.G. unbundling. Now the ministerial bureaucracy, the banks, the chemical industry, the shareholders, who had joined together to form the 'Arbeitsgemeinschaft der Schutzvereinigungen für Wertpapierbesitz', and the politicians formed a united front to answer the still controversial questions in their favor. In addition, a high-caliber advisory group was presented to the Allies: H. J. Abs, Chairman of the Board of Deutsche Bank; Wehrwirtschaftsführer Brecht; Göring's Ministerial Director H. Wohlthat and A. Menne, President of the Federal Association of the Chemical Industry.<sup>346</sup>

Under this pressure, the Allies backed down

The I.G. Group's founders, who were almost identical to the three largest founding companies of the I.G. Group, were increasingly diverging from their principles and finally agreed to the division of the property into three groups.

At the end of 1951, the German 'unbundlers' had finally reached their goal, at least almost. Farbenwerke Höchst AG, Frankfurt-Höchst' was founded on December 7, 1951, 'Farbenfabriken Bayer AG, Leverkusen' was founded on December 19, 1951 with the Leverkusen, Elberfeld, Uerdingen and Dormagen plants, and finally, on January 30, 1952, the new 'Badische Anilin- und Sodafabrik AG, Ludwigshafen' was founded.<sup>347</sup> On May 17, 1952, the Allied High Commission issued Implementing Regulation No. 1 to Law No. 35, in which, in addition to the 3 core companies, the establishment of 9 further smaller groups was announced.

However, this was not the end of the concentration process. Most of the smaller groups were subsequently divided up between the big three. When, on March 21, 1953, the Allied High Commission and the Federal Government announced the "conclusion" of the

[345] KREIKAMP, H.-D.: The unbundling of I.G. Farben AG and the foundation of its successor companies. In: *Vierteljahrshefte für Zeitgeschichte* 25, No. 2 (1977); pp. 228-230.

[346] O.M.G.U.S.: *Investigations against I.G. Farbenindustrie A.G.* - Ed. Hans Magnus Enzensberger; Nördlingen : Verlag Franz Greno, 1986 (Special volume of the Other Library) - ISBN: 3-891-900-198, p. LXII.

[347] KREIKAMP, H.-D.: The unbundling of I.G. Farben AG and the foundation of its successor companies. In: *Vierteljahrshefte für Zeitgeschichte* 25, Issue 2 (1977); pp. 245-247.

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I.G. Farben unbundling, there were only two of the 9 smaller companies, namely 'Chemische Werke Hüls GmbH, Marl' and 'Cassella Farbwerke AG, Mainkur', which were still independent. But even this did not last, because a short time later Cassella and 28% of the shares in Chemische Werke Hüls became the property of Bayer.

When the first I.G. Farben Annual General Meeting was held after the war on May 25, 1955, it was possible to take stock of developments over the past 10 years. Just over half of the former I.G. Farben property was in the GDR. It was therefore not possible to access this part of the assets. The reorganizers had no choice but to set up 'absentee trusteeships' and wait for unification. Less than 10% of the western property had to be sold. By providing the successor companies with sufficient share capital, over 90% of the assets were invested in the successor companies and thus back in the hands of the founding companies. A small part of the assets was still in the possession of the old I.G. This served as the starting capital of a group that called itself 'I.G. Farben AG in Liquidation' and set itself the task of repossessing the foreign assets that had been confiscated after the end of the war.

The shareholders were completely satisfied. In the largest securities transaction in Germany, their shares in the old I.G. were converted into corresponding shares in the successor companies. In addition, so-called 'liquidation share certificates', i.e. shares in the remaining assets of the old I.G., were issued. The shareholders of the successor companies are therefore identical to the shareholders of the old I.G., which means that continuity was also maintained in this area throughout the period of "post-war turmoil".



## 6. 1951-1991: 40 years of struggle for compensation for Nazi victims

### Forced labor

*"There is guilt that people have admitted to - or denied. Anyone who lived through that time with full awareness should quietly ask himself today about his own involvement."* (Richard v. Weizsäcker on May 8, 1985)

Forced laborers were used in many areas of German industry during the Second World War. This is well known. It therefore comes as no surprise that this was also the case in several I.G. Farben factories and that the number of foreign 'non-voluntary workers'<sup>348</sup> employed averaged 10% and that of concentration camp prisoners was around 9%, both in relation to the total workforce.<sup>349</sup>

But it is thanks to these 9% mostly Jewish concentration camp prisoners and their decades-long fight for compensation that these figures did not remain mere footnotes in the chapter 'Industry in War', but that the name of a concentration camp has become inextricably linked with the history of I.G. Farben: Auschwitz.

In the spring of 1941, I.G. Farben began building a Buna, i.e. synthetic rubber, plant in the immediate vicinity of the concentration camp. From the very beginning, concentration camp prisoners were used for the work. A total of 23,000 people lost their lives during the construction and operation of this one plant alone.<sup>350</sup>

### 6.1. 1951: I.G. Farben sued for compensation for forced labor

The list of companies involved in the Nazi forced labor program is long: I.G. Farben, Krupp, AEG, Telefunken, Siemens; the list goes on and on. But they all have one thing in common: after the war, these companies initially refused to compensate their former forced laborers in any way.

Norbert Wollheim, a Jewish prisoner of the Monowitz camp<sup>351</sup>, was the first to try to assert his claims in court. From 1943 to 1945, he had been forced to perform forced labor as a welder at the I.G. Farben Buna plant and, after the war, had unsuccessfully sought compensation from the I.G. waited. In November 1951, he brought an action against I.G. Farben before the Frankfurt Regional Court. He demanded compensation for pain and suffering and damages of DM 10,000 for being forced to perform unpaid work at constant risk to his life.<sup>352</sup>

[348] Poles, Soviets, French, Belgians, etc.

[349] *SS in action*: Berlin 1957; p. 426.

[350] KOGON, EUGEN: *The SS State; The System of German Concentration Camps*. Frankfurt/Main : Karl Alber Verlag 1960; p. 258.

[351] As too many prisoners "dropped out" on the 6 km march from the main Auschwitz camp to the I.G. construction site, another camp was set up in the immediate vicinity of the factory: Monowitz (Auschwitz IV).

[352] Tort: Sections 823 (1) and (2), 826, 830, 847 BGB.

### 6.1.1. State compensation for victims of National Socialism

In principle, compensation payments for survivors of Nazi terror were already provided for under Allied legislation. After the war, this legislation was continued by the Federal Government and standardized in the Federal Compensation Act (BEG) in 1953. In addition to a one-off integration grant for Jewish refugees to the State of Israel amounting to 3 billion <sup>marks</sup><sup>353</sup>, staggered payments were made according to individual suffering. However, in view of the many thousands of entitled persons and the limited solvency of the still young Federal Republic, the individual sums were inevitably small. Even though the Federal Government alone paid out a total of DM 17.2 billion up to 1960, the symbolic nature of the individual sums is evident. For example, one month of imprisonment in a concentration camp was only compensated with DM 150.<sup>354</sup> However, every victim of National Socialism was free to fight for further compensation in the ordinary courts: "*Claims to which a persecuted person is entitled under the provisions of civil law (...) against persons under private law are not affected by the provisions of this Act. (§ 9 para. 2 BEG)*"<sup>355</sup>

This meant that claims against I.G. Farben under the law could also be recognized.

ranks of the former forced laborers. From a legal point of view, I.G. Farben still existed as a legal entity under private law. However, after the reorganization under the new foundation of the 'Big Three', Bayer, BASF and Hoechst, it had the status of a so-called 'liquidation company' with the aim of final dissolution after all outstanding claims had been satisfied.

Whether such claims against industrial companies were enforceable at all was to be clarified before the Frankfurt Regional Court. This was the significance of the trial, even beyond the I.G. Farben/Auschwitz complex. However, it was difficult to distinguish between claims that were to be compensated under the Federal Compensation Act (BEG) and claims against the company as such. Concentration camp imprisonment and forced labor as a special form of deprivation of liberty could be directly attributed to violent measures by the Nazi state, so the federal government was responsible for compensating them. However, the BEG did not cover the withheld wages, the economic profit that the industrial companies had made from the 'extermination through labor'. This is where the leverage could be applied.

## 6.2. 1946-48: War crimes trials - proof of individual guilt

After the evacuation of the Auschwitz concentration camp before the advancing Red Army and the deportation of the inmates to camps further west on January 17, 1945, Norbert Wollheim was finally liberated by the British army in Bergen-Belsen on April 15. Months later, on November 20, 1945, the 24 main war criminals were put on trial before the International Military Tribunal (IMT) in Nuremberg. But anyone who believed that this had largely narrowed down the circle of those responsible for the crimes of the Nazi era was mistaken: A total of 177 defendants were tried in the 12 subsequent trials. Hardly any area of the former "elite" was spared revelations of involvement in the crimes of the Nazi era. The

[353] Hague Convention of 10.9.1952.

[354] BLESSIN; EHRIG; WILDEN: *BEG-Kommentar*. 3rd edition 1960; p. 169.

[355] Federal Law Gazette I 1953; p. 1387.

Trials against representatives of industry<sup>356</sup> brought to light more and more evidence of their active involvement in the forced labor program. In the trial against the managers of I.G. Farben - Wollheim appeared as a witness - the investigations led to the conviction of five former I.G. managers to prison sentences of several years<sup>357</sup> for crimes against humanity (*"enslavement and killing of the civilian population, prisoners of war and concentration camp inmates"*).

### 6.2.1. The industry's position on the Nuremberg judgments

However, the conviction of the I.G. Farben managers did not bring any progress with regard to the payment of compensation by I.G. to its former forced laborers. The verdict had exactly the opposite effect. It was described as the result of politically motivated victor's justice, which had sent innocent industrialists *"to prison cells at the end of a successful life led by diligence and conscientiousness, seriousness of life and unquestionable morality"*<sup>358</sup>.

People refused to see the once leading men of the German economy as ordinary war criminals. This view seemed to be confirmed by the surprisingly quick pardon of the convicted industrialists on January 31, 1951. This "preferential treatment", justified by the looming confrontation between the Western Allies and the Soviet Union, was particularly striking because Gauleiter Fritz Sauckel, as 'Nazi Plenipotentiary General for Labour Deployment' responsible for coordinating the forced labour program, had even been sentenced to death and executed for the same offences.<sup>359</sup> The position of German industry was therefore already established at the beginning of the 1950s: since the employment of forced laborers was handled within the framework of the state Nazi slave labor program<sup>360</sup>, the Federal Republic of Germany, as the legal successor to the German Reich, was responsible for compensation payments.

However, this was not the only driving force behind joint action. The companies involved in the forced labor program also feared that any payment could be seen as an admission of guilt and thus attract thousands of new claimants. This was the main source of the united front of opposition to the claims of the former forced laborers. This front, as Wollheim also recognized, could only be broken by legal action.

[356] I.G. Farben, Flick and Krupp.

[357] Otto Ambros (8 years), Walter Dürrfeld (8 years), Fritz ter Meer (7 years), Heinrich Bütefisch (6 years), Carl Krauch (6 years); a total of 13 I.G. Farben executives were sentenced to between 1.5 and 8 years in prison.

[358] W.A. Menne, President of the Economic Association of the Chemical Industry of the British Zone, statement by AG Chemische Industrie on the Nuremberg verdict against I.G. Farben, November 1948. quoted from REICHELT, W.O.: *Das Erbe der I.G.Farben*. Düsseldorf : Econ-Verlag, 1956; p. 54.

[359] FERENCZ, BENJAMIN B.: *Wages of horror; The denial of compensation for Jewish forced laborers*. Frankfurt/New York : Campus Verlag, 1986; p. 11.

[360] Reichsgesetzblatt I 1942 p. 179.

### 6.2.2. The legal assessment of the Nuremberg trials

It was not until the mid-1960s that a legal assessment of the Nuremberg trials that was less influenced by the political events of the day became established. For a long time, the right of the Allies to sit in judgment on crimes such as 'crimes against humanity' was particularly controversial. The rejection was justified by the fact that the laws on which the proceedings were based, the 'Statute on the International Military Tribunal' and the 'Allied Control Council Law No. 10', which was decisive for the successor trials such as the one against I.G. Farben, were both only enacted in 1945.<sup>361</sup> Any prosecution of the criminal offenses listed there would therefore violate one of the cornerstones of not only German but even international law: the prohibition of retroactivity, i.e. that no one may be charged with crimes that were not punishable at the time they were committed. However, the prevailing opinion now assumes that the prohibition of retroactivity as a provision to prevent arbitrariness of law and injustice reaches its limits in precisely those cases where its application would protect precisely those who have committed injustice in denial of fundamental social values.<sup>362</sup> Accordingly, the indictment of crimes against humanity committed under the Nazi regime did not constitute a violation of the prohibition of retroactivity. Above all, this was not because these crimes had long been outlawed under international law.

The next step also led to legally uncertain ground: from the IMT

The conclusion to be drawn from the proven (criminal) individual guilt of the convicted managers is that there is an obligation (under civil law) to compensate the former forced laborers.

### 6.3. 1953: I.G. Farben found guilty in the first instance

The three judges at Frankfurt Regional Court heard Wollheim's case for a full year. Then they presented their 43-page verdict. No new documents were available, so inevitably the files from the Nuremberg I.G. Farben trial formed the basis of the proceedings. The old witnesses were heard. Those who described the fate of the I.G. forced laborers, the conditions in the concentration camps. And others, including the testimony of I.G. engineer Haefele, who was particularly cynical in his description of the I.G. concentration camp at Monowitz as a "recreation camp".<sup>363</sup> Overall, the strategy of the I.G. Farben lawyers amounted to the well-known line: to establish that the operation of the concentration camps was in the hands of the SS and that I.G. Farben, like many commercial enterprises in the Third Reich, had been forced to employ forced laborers and concentration camp prisoners. Responsibility therefore lay solely with the SS.

However, the court was unable to understand this argument. The judges awarded Norbert Wollheim DM 10,000 in compensation. In its reasoning, it states that

*"...I.G. Farben can no more evade its responsibility than an individual.... They must have known about the "selections" because it was their human duty to know the working and living conditions of their employees. Their alleged complete ignorance confirms*

[361] IMT statute: 8.8.1945, KRG No. 10: 20.12.1945.

[362] In this sense: WOETZEL, ROBERT K.: *The Nuremberg Trials in International Law*. London, 1960; p. 115.

[363] quoted from: FERENCZ, BENJAMIN B.: *Lohn des Grauens; Die verweigerte Entschädigung für jüdische Zwangsarbeiter*. Frankfurt/New York : Campus Verlag, 1986; p. 63.



*only their lack of interest in the lives of the Jewish prisoners, for whom they were obliged to care, at least during the time they were in their custody. They were obliged to do what they could to protect the life and health of the plaintiff, and even the SS could not relieve them of this duty... The company is responsible for this omission, which was at least negligent.*"<sup>364</sup>

This was the first time that a federal German court had affirmed the industrial companies' obligation to pay compensation - and not on the basis of a complicated construction with the aid of international public international law, as the Nuremberg judges had repeatedly been accused of doing, but on the basis of the paragraphs of the German Civil Code.

I.G. Farben i.L. filed an appeal with the Frankfurt Higher Regional Court in the same year.

## 6.4. 1954: The Wollheim trial enters the next round

The first-instance conviction of I.G. Farben gave former forced laborers all over the world hope for compensation payments. Thousands of new lawsuits were to be expected, high legal costs - and thus a financial risk that the victims of National Socialism could not take alone. On the other hand, they could not shy away from the costs if they did not want to deprive themselves of any possibility of enforcing their claims by prematurely abandoning legal action. Above all because it was to be expected that this time German industry would use all its economic and political power to achieve a favorable decision. A long road through the courts was mapped out.

When approached for support in this situation, the Conference on Jewish Material Claims against Germany<sup>365</sup> agreed to set up a small legal costs fund. However, the Claims Conference could not be persuaded to become further involved in the process. Presumably because it was in negotiations with the German government at the time about the form of the compensation legislation for Nazi victims agreed in the Hague Protocols and did not want to jeopardize these negotiations with new demands.

However, on the recommendation of the Claims Conference, the 'United Restitution Organization' (URO), an association of Jewish lawyers who had emigrated from Germany during the Nazi era and who maintained an office in Frankfurt after the war, became involved in providing legal support. It assisted Henry Ormond, Wollheim's lawyer at first instance, in the appeal proceedings.

[364] quoted from: FERENCZ, BENJAMIN B.: *Lohn des Grauens; Die verweigerte Entschädigung für jüdische Zwangsarbeiter*. Frankfurt/New York : Campus Verlag, 1986: Decision in the case Wollheim v. I.G. Farben, Regional Court Frankfurt, 10.6.1953, Ref. 2/3/0406/51

The German original is no longer available, as the files of this single trial in which an industrial company was convicted in connection with forced labor were "destroyed after the retention period had expired".

[365] Claims Conference: Association of 23 major Jewish organizations; after the adoption of the Hague Agreement between the Federal Republic of Germany and Israel (10.9.1952), took over the distribution of a total of \$450 million for the re-establishment of Jewish communities in Europe.

### 6.4.1. Direct talks with I.G. Farben

It would have been reckless to rely solely on judicial clarification on the issue of compensation payments, quite apart from the uncertain outcome of the proceedings. Material aid for the victims of National Socialism was particularly necessary in the immediate post-war period. Legal proceedings spanning several instances would have delayed the payment of the urgently needed funds for years to come. Direct talks with I.G. Farben were considered in order to possibly reach an out-of-court settlement.

In this situation, the German government suggested an agreement with the Claims Conference on its own initiative. At the same time, it made it clear to I.G. Farben that no support could be expected from the Treasury Department in the event of a conviction.<sup>366</sup> In addition, a bill was introduced in the US Senate in 1954 regarding the restitution of confiscated foreign assets.<sup>367</sup> This bill would have enabled the previously denied retransfer of American subsidiaries of I.G. Farben. The negative echo in the foreign press that was to be expected in the event of a final refusal to pay compensation threatened to jeopardize this for the

I.G. Farben's important development to fail. For this reason, I.G. Farben also sought a quick settlement.

The first initiative for talks also came from I.G. Farben. Dr. Walter Schmidt, one of the three 'liquidators' (the official name given to the men responsible for winding up the former I.G. Farben<sup>368</sup>), was convinced of the need for an agreement. Therefore, at the beginning of April 1954, he sought out Dr. Herbert Schoenfeldt, the head of the Bonn liaison office of the Claims Conference. Both men had worked for the Berlin judiciary before the Nazis came to power and had been friends since that time.

### 6.4.2. The settlement negotiations begin

Schmidt initially offered compensation in the average amount of DM 5,000, which, given his estimate of 2,000 claimants, resulted in a total sum of DM 10 million, which I.G. Farben was prepared to pay.<sup>369</sup> The Claims Conference was to distribute this sum, which was intended as a "gesture of goodwill"<sup>370</sup> and would in no way be linked to an admission of guilt.

The representatives of the victims of National Socialism rejected the idea of setting the total compensation amount at DM 10 million, saying that a much higher number of survivors could be assumed, perhaps 10,000, for whom compensation payments of DM 10,000 each would be appropriate

[366] FERENCZ, BENJAMIN B.: *Wages of horror; The denied compensation for Jewish forced laborers*. Frankfurt/New York : Campus Verlag, 1986; p. 69.

[367] BORKIN, JOSEPH: *Die unheilige Allianz der I.G. Farben; eine Interessengemeinschaft im Dritten Reich*. Frankfurt/Main, New York : Campus Verlag, 1979, 1990 (Vol. 1030) - ISBN: 3-593-34251-0; Series Campus, p. 183.

[368] Also since 18.1.1951: Dr. Fritz Brinckmann, member of the board of the first German trust company, and Dr. Franz Reuter, publisher of the weekly newspaper "Der Volkswirt".

[369] Letter from Schoenfeldt to B. B. Ferencz dated April 7, 1954 FERENCZ, BENJAMIN B.: *Wages of horror; The denied compensation for Jewish forced laborers*. Frankfurt/New York : Campus Verlag, 1986; p. 70.

[370] FERENCZ, BENJAMIN B.: *Wages of horror; The denied compensation for Jewish forced laborers*. Frankfurt/New York : Campus Verlag, 1986; p. 70.

The same amount that Wollheim had been awarded in the first instance. The sum therefore amounted to DM 100 million, ten times the amount of the I.G. offer. The I.G. rejected this as unaffordable.

The Frankfurt court also intervened in the negotiations over the following months regarding the total amount. The I.G. was recommended to increase its offer to DM 15 million as part of an out-of-court settlement.<sup>371</sup> Israeli sources put the number of survivors at around 6,000, so according to the Claims Conference's calculations, DM 66 million would be needed to satisfy all the claimants. As a result, Schmidt increased the offer again in November 1954, this time to DM 20 million.

## 6.5. December 1954: Attempt to influence the legislation

Parallel to the resumption of the Wollheim trial before the Frankfurt Higher Regional Court, hearings were held in Bonn on the amendment of the Federal Compensation Act (BEG). In particular, German industry demanded a new version, or at least a clarification of Section 9 (2) (see Chapter 6.1.1.), on the basis of which other companies feared recourse claims.<sup>372</sup>

On December 3, 1954, a meeting of the 'Working Group for the Preparation of an Amendment to the BEG' was held in the Bundeshaus with the participation of representatives of the persecutees' associations and industry. All those involved were to be given the opportunity to comment on the current version of the BEG, to put forward their points of criticism and, if necessary, to make suggestions for improvement. Schoenfeldt and Ferencz, among others, took part in this hearing as representatives of the Claims Conference. On behalf of the Federation of German Industries (BDI), lawyer Dr. Veith formulated the position of the affected companies. He argued that *"...it is the task of the BEG to redress state injustice. Section 9 (2) BEG breaks through this principle and constructs an obligation to compensate private persons. This provision gives rise to concern in the industry, which is reinforced by the current legal dispute against I.G. Farben. Section 9 does not exclude claims for damages for pain and suffering. Since the state is generally liable for state injustice, the industry would have to file recourse claims against the federal and state governments if it had to pay damages."*<sup>373</sup> This attempt by the industry to pressure the Ministry of Finance to amend the BEG in its favor and thus remove the legal basis for possible subsequent lawsuits against I. G. Farben provoked strong protests. Not only the representatives of those persecuted, but also members of the SPD

*"... were unanimous in their view that the request submitted was neither morally nor legally justifiable and rejected an amendment to the law in this respect as an interference in pending court proceedings. During the Nazi era, industry had by no means generally only employed forced laborers, but rather had often welcomed this cheap labor. No company had seen any reason to make available the substantial employer bonuses it received."*<sup>374</sup>

[371] FERENCZ, BENJAMIN B.: *Wages of horror; The denied compensation for Jewish forced laborers*. Frankfurt/New York : Campus Verlag, 1986; p. 70.

[372] See Chapter 6.1.1 "State compensation for victims of National Socialism".

[373] Minutes of December 3, 1954, p. 13f.

[374] Minutes of December 3, 1954, p. 14.

The resolute resistance to his initiative resulted in Dr. Veith giving in. He explained, *"...that the industry had not made this proposal because it did not morally recognize the claims of those persecuted, but (had) to shift the obligation to pay to the federal and state governments for financial reasons in accordance with the basic idea of the BEG. After all, it was doubtful whether the entrepreneurs were reproachably guilty of employing forced laborers. Where such culpability is established, the employers should be liable. However, if this was not the case, they would have to be exempted from liability by amending the law."*<sup>375</sup>

A rearguard action, as it turned out, because the controversial passage was adopted unchanged in the new version of the law.<sup>376</sup>

## 6.6. 1955: Negotiations come to a standstill after the end of the occupation

After the signing of the Paris Treaties ending the <sup>occupation</sup><sup>377</sup>, the Federal Republic of Germany was granted full sovereignty on May 5, 1955. The Allies thus also withdrew from the supervision of the I.G. Farben liquidation, but not without first a separate 'Final Liquidation Act' to ensure that the further liquidation of I.G. Farben took place in accordance with the legal provisions they had drawn up.<sup>378</sup> This law also had an impact on the Wollheim litigation, as it stipulated that *"claims belonging to or to be satisfied from the remaining assets of I.G. Farbenindustrie AG. i.L. and which were not time-barred on May 8, 1945 (...) shall not become time-barred before the expiry of three years from the entry into force of this Act or, if the limitation period for such a claim is shorter than three years, not before the expiry of a period beginning with the entry into force of this Act and equal to this limitation period."*<sup>379</sup>

The issue of the statute of limitations in relation to wage claims was problematic. This regularly amounts to

two years.<sup>380</sup> Thus, after the law came into force on February 6, 1955, the last possible date for reporting withheld wages was February 6, 1957.

This put the court under time pressure. There was a risk that if the Wollheim trial was delayed, proceedings against other companies would become impossible due to the statute of limitations. If they initially wanted to wait for the outcome of the Wollheim trial, the former forced laborers now had to fear the loss of their justified claims.

Despite the resumption of the evidentiary proceedings on March 15, 1955, the judges were still unable to bridge the gap between the moral and legal obligation to pay compensation and reach a verdict in the fall of 1955. Obviously, they could not completely detach themselves from the political situation: if the morally indisputable claim of the former forced laborers was rejected, a worldwide outcry of indignation was to be expected. On the other hand, sentencing I.G. Farben to pay damages in a phase of economic upswing would result in a flood of further, politically destabilizing lawsuits.

[375] Minutes of December 3, 1954, p. 14f.

[376] however, as part of the restructuring of the BEG under Section 8 (2).

[377] October 23, 1954.

[378] Law No. 84 of the Allied High Commission: Termination of the unbundling and liquidation of I.G. Farbenindustrie A.G. i.L., January 21, 1955, OJ p. 3156 et seq.

[379] Art. 8 Final Liquidation Act, OJ p. 3166.

[380] §196 para. 1 no. 9 BGB.

Consciously or unconsciously, the judges found themselves in a dilemma, whatever the outcome of their verdict. A solution could only lie in an out-of-court settlement. The court therefore asked I.G. Farben to submit a new offer. It emphasized that, in its opinion, injustice had been committed that should be compensated, even if it was difficult to ascertain by means of the rule of law.<sup>381</sup> However, the fronts had hardened. The failed attempt by industry to be exempted from further payment obligations by amending the Federal Compensation Act had caused deep mistrust on the part of the Jewish negotiating partners. At the same time, the delaying strategy of the I.G. representatives seemed to be working. The arbitration negotiations had been suspended since the end of 1954. It was not until December 1955 that I.G. Farben signaled its willingness to engage in further talks. Significantly, this was after the Wollheim trial had once again threatened to hinder the release of US subsidiaries.<sup>382</sup>

## 6.7. 1956/57: The compromise - DM 30 million

Negotiations were resumed in January 1956. I.G. Farben was prepared to negotiate a fixed amount that was to be distributed among the individual claimants to satisfy the claims of all, i.e. Jewish and non-Jewish former forced laborers. However, the corresponding agreement had to stipulate that I.G. Farben was not responsible for the injustice committed against the forced laborers. In addition, it had to be contractually guaranteed that no former I.G. employee could be held criminally liable.<sup>383</sup> These were the conditions of I.G. Farben's final offer of 30 million DM. 10% of this sum was to remain with the liquidation company in order to satisfy the compensation claims of non-Jewish forced laborers. Wollheim was prepared to accept this compromise.

Further details of the negotiated preliminary treaty text, which was signed in early February 1957 in Frankfurt was signed:

Prisoners who had worked for at least six months in I.G. companies were to receive DM 5,000, while those who had to perform less than six but at least one month of forced labor were to receive less on a staggered basis, but at least DM 2,000. In the event that the number of claimants exceeded the previously known figure of around 3,400, 3,200 of whom were Jewish, and thus only allowed for lower individual amounts than those mentioned above, renegotiations were planned. Any surpluses were to be divided between the two groups. When the former forced laborers joined the agreement, they waived all further claims. The assignment of claims was excluded; only parents, spouses and children were entitled to claim as heirs, and only if the prisoner had already made a claim for compensation himself.<sup>384</sup>

In addition, the effectiveness of the agreement was linked to two conditions.

First of all, the Bundestag was to pass a law calling on the former forced laborers of I.G. Farben to assert their claims within a period of six months. As a further condition, the approval of both the Annual General Meeting of I.G. shareholders and the

[381] FERENCZ, BENJAMIN B.: *Wages of horror; The denied compensation for Jewish forced laborers*. Frankfurt/New York : Campus Verlag, 1986; p. 72.

[382] Frankfurter Allgemeine Zeitung of December 1, 1955: "No return of the General Aniline?"

[383] FERENCZ, BENJAMIN B.: *Wages of horror; The denied compensation for Jewish forced laborers*. Frankfurt/New York : Campus Verlag, 1986; p. 73.

[384] German newspaper from February 6, 1957.

also by the Board of Directors of the Claims Conference. Both parties were granted the right to withdraw from the contract within a period of three months after the date of the last possible claim filing.

On May 27, 1957, the corresponding law was passed by the parties in the Bundestag, in which I.G. Farben was obliged to publicly call on creditors to file their claims three times by means of announcements in newspapers.<sup>385</sup> The final deadline for filing claims was set for March 31, 1958.

The text of the agreement was presented to the shareholders' meeting as an annex to the I.G. annual report for 1956. A debate lasting several hours developed over the acceptance of the provisional settlement.<sup>386</sup> The spokesman for the opponents of the settlement was the lawyer Dr. P.

H. Gordan, who expressed the fear that the sum to be paid could by no means be limited to the 30 million due to the still unknown number of claimants. The capacity of I.G. would thus be exceeded. Although the claimants were not being denied the right to compensation, the claimants had turned to the wrong address. He pointed out that, in his opinion, all claims had to be satisfied within the framework of the Federal Compensation Act and that the federal government was therefore responsible.<sup>387</sup> In contrast, the liquidators and the Chairman of the Supervisory Board, Dr. August v.

Knieriem<sup>388</sup>, campaigned for acceptance of the settlement: liquidator Dr. Schmidt described the agreement as a welcome document of reconciliation.<sup>389</sup> In the subsequent vote, 92.7% of shareholders were in favour of ratifying the settlement.

After the Board of the Claims Conference had also approved the text of the settlement, the 'Kompensations-Treuhandgesellschaft mbH' was founded to process the Jewish claims. It was to handle the verification of the claims. This fulfilled all the conditions for the settlement to enter into force on April 1, 1958, subject to withdrawal.

## 6.8. 1957: The question of the inclusion of 'nationally persecuted persons'

Three million DM had been set aside for compensation payments to non-Jewish forced laborers. However, according to the text of the contract, the agreement with the liquidation company only applied to the group of people defined as entitled to compensation in the Federal Compensation Act. Accordingly, only those who *were "persecuted by National Socialist violence on account of their political convictions against National Socialism, on grounds of race, faith or ideology"* were entitled to compensation.<sup>390</sup>

As a result, the large group of mainly Polish and Soviet forced laborers who had been deported solely on the basis of their nationality were excluded from eligibility for compensation. And this despite the fact that their fate was in no way different from that of the Jewish forced laborers. This is why Hermann Langbein, Secretary General of the 'International Auschwitz Committee', called in mid-1957 for the 'nationally persecuted' to also be

[385] Federal Law Gazette I 1957 p. 569.

[386] Frankfurter Allgemeine Zeitung of April 6, 1957.

[387] Frankfurter Allgemeine Zeitung of April 6, 1957.

[388] initially legal advisor to BASF, eventually member of the Board of Management of I.G. Farben, acquitted in the Nuremberg I.G. Farben trial.

[389] Frankfurter Allgemeine Zeitung of April 6, 1957.

[390] §Section 1 sentence 1 of the Federal Compensation Act.

compensation.<sup>391</sup> This meant that the planned compensation sum had to be increased to DM 60 million.

### 6.8.1. The fate of the Eastern workers

German troops invaded Poland on September 1, 1939. Just under two months later, on October 26, compulsory work was introduced for the Jewish population of the Generalgouvernement and compulsory work for non-Jews.<sup>392</sup> The qualitative difference was rather marginal: in contrast to the Jewish forced laborers, the compulsory laborers <sup>were</sup> at least paid a small wage at "*rates that seemed fair*"<sup>393</sup>, but beyond that it did not seem justifiable "*to allow them to participate fully in the progress of National Socialist social life because of the numerous outrages and atrocities committed by the Poles during the war*".<sup>394</sup> In plain language, this meant that neither regular employment contracts were concluded with the Eastern workers who were deliberately housed "*in camps*"<sup>395</sup> nor did the self-evident principles of the employers' duty of loyalty and care towards their workers apply.<sup>396</sup>

At first, the National Socialists tried to keep up appearances, i.e. to keep those obliged to work on a "voluntary" basis in Germany. However, after Hitler's armies invaded the Soviet Union on 22 June 1941, a large-scale "*mobilization of all unused labour in the Third Reich*" took place.<sup>397</sup> 2.5 million Poles alone were deported to Germany for forced labor.<sup>398</sup>

The deployment of 'foreign workers', including Poles, Dutch, Belgians, French, etc., initially took place largely in agriculture, but increasingly also in industry. The coordination of the workforce was the responsibility of Gauleiter Fritz Sauckel, who had been appointed 'General Plenipotentiary for the Deployment of Labor' by Hitler on 21 March 1942. This was intended to ensure the supply of labor to the German economy in accordance with the maxim of 'total war'.

### 6.8.2. Foreign workers in the German industry

There is no lack of attempts to play down the role of industry in the use of forced labor. The book by H. E. Kannapin, published by Deutscher Industrieverlag in 1966, deserves special mention here. Written under the impression of the trial against the Auschwitz guards, which ended on 19.8.1965, and the accompanying political polarization within the German population, the author attempts, by contrasting the methods

[391] Handelsblatt No. 67 of June 7/8, 1957: *Auschwitz Committee against I.G. Farben settlement*.

[392] Ordinance Gazette Generalgouvernement, October 26, 1939, p. 6.

[393] KANNAPIN, H.E.: *Economy under duress*. Cologne : Deutscher Industrieverlag, 1966; p. 82f.

[394] KANNAPIN, H.E.: *Economy under duress*. Cologne : Deutscher Industrieverlag, 1966; p. 93.

[395] KANNAPIN, H.E.: *Economy under duress*. Cologne : Deutscher Industrieverlag, 1966; p. 91.

[396] KANNAPIN, H.E.: *Economy under duress*. Cologne : Deutscher Industrieverlag, 1966; p. 94.

[397] KANNAPIN, H.E.: *Economy under duress*. Cologne : Deutscher Industrieverlag, 1966; p. 88.

[398] BRACHER; FUNKE; JACOBSEN (eds.): *Germany 1933-1945: New Studies on National Socialist Rule*. Publication series of the Federal Agency for Civic Education, vol. 314; p. 430.

Hitler and Stalin to relativize the National Socialist crimes of violence.<sup>399</sup> Kannapin assigns industry the role of the "cast-off", which on the one hand was forced to adapt to the requirements of a war economy, but on the other hand even put up stubborn resistance. The industrial sector tried to avoid the use of Eastern workers in their companies, for example by complaining about the lack of suitability of the mostly unskilled workers.<sup>400</sup> With regard to the high number of forced laborers used, the postulated powerlessness of industrial companies is to be established on the basis of various regulations that allegedly made it impossible to reject foreign and forced laborers. These are those of the 'Commissioner for the Four-Year Plan' of 20.5.1942, according to which employment relationships in companies of the war economy could only be dissolved by the employment office, and the 'Ordinance of the Reich Minister of Justice to Secure the Total War Effort' of 25.8.1944. Here, anyone *"who contravened orders or prohibitions that constituted measures for the implementation of the total war effort"* was *threatened with life imprisonment or the death penalty*.<sup>401</sup>

However, this portrayal of industry as a purely passive object of state action is

In particular, a letter from the office of I.G. board member Carl Krauch<sup>402</sup> should be considered. In his capacity as 'General Plenipotentiary for Special Questions of Chemical Production'<sup>403</sup>, Krauch informed the manager of the I.G.-owned Buna plant in Schkopau, Otto Ambros<sup>404</sup>, on March 4, 1941, that

*"at my request and on the instructions of the Reich Marshal (Göring, the author) ... the Reichsführer SS (Himmler, the author) ordered the following on February 26 of this year. Js. ordered the following:*

- 1) *The Jews in Auschwitz were to be resettled as quickly as possible, their apartments were to be cleared and their accommodation provided for the construction workers of the Bunawerk.*
- 2) *No Poles who were suitable as laborers or construction workers for the Buna plant were allowed to be resettled from the Auschwitz area.*
- 3) *... the building project (is) to be supported by the prisoners from the concentration camp to every possible extent.*"<sup>405</sup>

*"At my request..."*: the role of industry, and not only that of I.G. Farben, appears to be quite active, at least in this letter.

[399] Even though the book contains an immense amount of figures, Kannapin's political conclusions should be viewed with caution in my opinion (author's note).

[400] KANNAPIN, H.E.: *Economy under duress*. Cologne : Deutscher Industrieverlag, 1966; p. 96.

[401] KANNAPIN, H.E.: *Economy under duress*. Cologne : Deutscher Industrieverlag, 1966; p. 105.

[402] Initially an employee of Carl Bosch/BASF (Haber-Bosch process for ammonia synthesis), then a member of the Board of Management of I.G. Farben, finally Chairman of the Supervisory Board, military economic leader, NSDAP member.

[403] BORKIN, JOSEPH: *Die unheilige Allianz der I.G. Farben; eine Interessengemeinschaft im Dritten Reich*: Frankfurt/Main, New York : Campus Verlag, 1979, 1990 (vol. 1030) - ISBN: 3-593-34251-0; Campus series, p. 108.

[404] Ambros' evaluation of the Auschwitz site, commissioned by Carl Krauch, was decisive for the construction of the plant there; Ambros was appointed head of I.G. Auschwitz shortly afterwards.

[405] Document from the American National Archives (National Archives Collection, Word War II Crimes Records) No. 11086: Office of Chief of Council for War Crimes.



### 6.8.3. Wollheim settlement enters into force without amendment in

Nevertheless, I.G. Farben refused to make any further compensation payments to its Polish forced and foreign laborers, citing the wording of the settlement negotiated with the Claims Conference. Following the announcement of further claims by Dutch forced laborers, among others, there was even a fear that I.G. would withdraw from the settlement.

However, a failure of the settlement would also have jeopardized the claims of the Jewish claimants. The Claims Conference was therefore also opposed to the new claims of the victims of Nazi persecution. This meant that the negotiations between the Auschwitz Committee and the Claims Conference on inclusion in the settlement were doomed to failure. I.G. Farben had succeeded in driving a wedge between the various groups of claimants.

As no solution could be reached through settlement negotiations, the representatives of the victims of national persecution announced that they intended to take legal action to force I.G. Farben to pay compensation. They also intended to make claims against other companies involved in the forced labor program.<sup>406</sup>

For the Jewish claimants, the compensation trust finally recommended final acceptance of the settlement. As I.G. Farben ultimately did not exercise its right of withdrawal either, the Wollheim settlement came into force on April 1, 1958.

## 6.9. 1958-63: The distribution of funds from the Wollheim settlement

Checking the claims received proved to be very difficult. Reliable lists with the identification numbers of the Jewish forced laborers employed at the Buna plant were often not available. For this reason, examination committees made up of former forced laborers were formed to try to find out whether the respective claimants had actually worked at the I.G. Farben plant.<sup>407</sup> Questionnaires and individual interviews were used to check whether details could be correctly reproduced that must have been known to those employed at the Buna plant, such as the spatial layout of the plant or the outbreak of a typhus epidemic. These local commissions then made recommendations regarding the entitlement to compensation, which then had to be decided centrally in Frankfurt. If the application was rejected, an arbitration tribunal could be called upon, of which Heinz Galinski<sup>408</sup>, who died in 1993, was a member.

A great help in the work of the audit committees was the fact that a former prisoner who could remember the tattooed numbers that had been assigned to the individual transports destined for the Monowitz I.G. camp, thus eliminating many time-consuming individual interviews.<sup>409</sup>

[406] German newspaper from 4.12.1957.

[407] FERENCZ, BENJAMIN B.: *Wages of horror; The denied compensation for Jewish forced laborers*. Frankfurt/New York : Campus Verlag, 1986; p. 81.

[408] Former Chairman of the Central Council of Jews in Germany.

[409] FERENCZ, BENJAMIN B.: *Wages of horror; The denied compensation for Jewish forced laborers*. Frankfurt/New York : Campus Verlag, 1986; p. 81.

Nevertheless, the examination of the claims took a long time, as the survivors of Nazi terror were scattered all over the world. The final processing of the applications was made more difficult by the fact that the amount of compensation payments depended directly on the total number of applicants. This meant that payments were made in installments until the actual number of entitled persons was determined.

For applicants who had worked at the Buna plant for less than six months, the first installment was DM 1,500; those who could prove a longer storage period initially received DM 2,500. These amounts were eventually increased to DM 2,500 and DM 5,000 respectively after the examinations had been completed.

As part of the settlement with I.G. Farben, 5,855 Jews in 42 countries received compensation payments for the injustice committed against them. In addition, more than 1,800 needy persons received money from a hardship fund, which was fed from the provisions for legal costs<sup>410</sup>. A total of DM 27,841,500 was ultimately distributed among the former forced laborers by the compensation trust company.<sup>411</sup>

## 6.10. 1958-63: The 'nationally persecuted' go to court

As part of the settlement between the Claims Conference and I.G. Farben, DM 3.75 million of the compensation sum was paid out to non-Jewish forced laborers, 750,000 DM more than contractually negotiated. I.G. Farben had received this amount in 1961 in addition to the negotiated DM 3 million from the aforementioned provisions for legal costs. This was used to settle the claims of the construction workers employed in the construction of the Buna plant in Auschwitz. However, this was the only group of Polish claimants to benefit from I.G. compensation payments after lengthy negotiations.<sup>412</sup> In general, however, the so-called 'nationally persecuted persons' were excluded from compensation in accordance with the I.G. interpretation of the text of the agreement.

The settlement negotiated in 1957 served as a model for negotiations between the Claims Conference and other companies involved in the forced labor program. As the 'umbrella organization', the Claims Conference exclusively represented the Jewish prisoners. This meant that the subsequent contracts concluded with companies such as Krupp, Siemens and AEG/Telefunken no longer provided for payments to non-Jewish forced laborers.<sup>413</sup>

The victims of national persecution therefore attempted to challenge the rejection of their claims in court. As early as July 31, 1958, a group of 2,295 Poles, who, unlike the construction workers, had been denied consideration for compensation payments by I.G. Farben, brought an action before the court.

[410] Initially, the full amount of DM 27 million was not distributed among the former forced laborers. The Claims Conference had to undertake to retain an amount of DM 3 million for possible follow-up proceedings. This was to be used to cover the legal costs of lawsuits for higher individual compensation. This agreement was initially kept secret, as it was feared that the disclosure of the reduced total compensation amount could give rise to such lawsuits.

[411] The surplus results from interest on the original DM 27 million less administrative costs.

[412] FERENCZ, BENJAMIN B.: *Lohn des Grauens; Die verweigerte Entschädigung für jüdische Zwangsarbeiter*. Frankfurt/New York : Campus Verlag, 1986; Ferencz, p. 90.

[413] LANGBEIN, HERMANN (President of the Auschwitz Committee): In: *Frankfurter Hefte* 22 (1967) No. 3, p. 182f.

The plaintiffs, Leon Straucher et al. The plaintiffs Leon Straucher et al. demanded compensation of DM 10,000 for each of the parties involved due to withheld wages.<sup>414</sup>

### 6.10.1. 1959: The first instance: Claims of foreign workers are time-barred

However, the judges of the first instance dismissed the claim. They argued that, in accordance with Article 8 of the Liquidation Closure Act, claims for withheld wages should have been filed by February 6, 1957 at the latest. However, as the lawsuit was not filed until 1958, these claims were now time-barred.<sup>415</sup>

Before further legal steps were considered, the representatives of the Polish claimants offered an out-of-court settlement: a payment of DM 4 to 5 million would settle all claims.<sup>416</sup> I.G. Farben categorically rejected this and referred to the Claims Conference. It was possibly prepared to compensate the Poles out of its 27 million share. The Claims Conference understandably rejected this. The plaintiffs then appealed to the Frankfurt Higher Regional Court.

### 6.10.2. 1960-61: Appeal hearing before the OLG Frankfurt

The question of the statute of limitations did not initially play a role before the court of appeal. It first had to be clarified whether claims against I.G. Farben had arisen at all. If I.G. Farben had acted on behalf of the Reich, it and other industrial companies might have been exempt from the obligation to pay compensation.

This argument is based on the wording of Article 5 (2) of the London Debt Agreement signed in 1953, which states that

*"an examination of claims by states that were at war with Germany or whose territory was occupied by Germany and by nationals of these states against (...) agencies or persons acting on behalf of the Reich (...) is postponed until the final settlement of the reparations question."*<sup>417</sup>

This point had already been raised by I.G. in the first instance, but was deemed irrelevant by the judges in view of the statute of limitations issue. I.G.'s lawyers now made every effort to convince the judges of their point of view. A view according to which I.G. had been forced to build the Buna plant in Auschwitz. And this despite *"fierce resistance from the company management"*.<sup>418</sup> Hermann Göring himself, in his capacity as General Plenipotentiary for the Four-Year Plan, had ordered the construction of the plant in a decree dated February 18, 1941. Göring's decree is documented. However, the letter from Carl Krauch's office mentioned in the chapter 'Foreign workers in German industry' raises the question

[414] FERENCZ, BENJAMIN B.: *Wages of horror; The denial of compensation for Jewish forced laborers*. Frankfurt/New York : Campus Verlag, 1986; p. 84.

[415] Decision of the Frankfurt Regional Court, July 9, 1959, Ref. 2/30190/58.

[416] FERENCZ, BENJAMIN B.: *Wages of horror; The denied compensation for Jewish forced laborers*. Frankfurt/New York : Campus Verlag, 1986; p. 86.

[417] Agreement on German foreign debt, London 27.2.1953, Federal Law Gazette II 1953 S. 340.

[418] FERENCZ, BENJAMIN B.: *Wages of horror; The denied compensation for Jewish forced laborers*. Frankfurt/New York : Campus Verlag, 1986; p. 85.

whether the use of forced laborers and concentration camp prisoners was not at least the result of an application by I.G. Farben.

Ultimately, however, the court adopted the position of the industry. It found that I.G. had acted exclusively as an "instrument of the Reich".<sup>419</sup> Therefore, the Polish claims against I.G. Farben had to be set aside.

### 6.10.3. 1963: In the last instance - the ruling of the Federal Court of Justice

Some of the Polish claimants still refused to give up. They tried to enforce their claims before the Federal Court of Justice. They demanded that at least the right to compensation from I.G. Farben be established in order to at least clarify this point with regard to the "final settlement". But without success. The judges agreed with the lower court and ruled as follows:

*"If nationals of a state were sent to a concentration camp and assigned by the SS to an armaments factory for labor deployment, the resulting claims for compensation and damages against German companies are affected by Art. 5 para. 2 LondSchAbk. The examination of these claims is therefore postponed until the final reparations settlement with the foreigner's home state. An action for a declaratory judgment cannot be granted until then either."*<sup>420</sup>

The court certainly recognized that I.G. Farben *"also pursued its own economic purposes with the construction of the Buna plant in the occupied territory and with the exploitation of cheap labor"*.<sup>421</sup> However, even the personal misconduct of individual I.G. employees did not change the status of I.G. as an "instrument of the Reich", since these *"abuses ... were closely related to the methods of arbitrary treatment and abusive labor exploitation developed by the SS"*.<sup>422</sup> The London Debt Agreement must also be interpreted so narrowly that even a provisional determination of claims is prohibited. The action should therefore be dismissed as *"currently unfounded"*.<sup>423</sup> This finally made it clear that the former Polish forced laborers would go away empty-handed for decades to come.

## 6.11. Compensation payments after conclusion of the Wollheim settlement

Until 1989, the industry repeatedly concluded contracts with the Claims Conference with the aim of satisfying the claims of Jewish forced laborers. In addition to the DM 27 million already paid out by I.G. Farben<sup>424</sup>:

Krupp 10 million DM (1959)

AEG/Telefunken 4 million DM (1960)

[419] FERENCZ, BENJAMIN B.: *Wages of horror; The denied compensation for Jewish forced laborers*. Frankfurt/New York : Campus Verlag, 1986; p. 86.

[420] Federal Court of Justice of February 26, 1963 - VI ZR 94/61 (Frankfurt).

[421] Decision of the Federal Supreme Court of February 26, 1963, published in: *Rechtsprechung zum Wiedergutmachungsrecht* (RZW) 1963, p. 525ff.

[422] *Case law on restitution law* (RZW) 1963, p. 526.

[423] *Case law on restitution law* (RZW) 1963, p. 528.

[424] German Bundestag, printed matter 11/6286, point 1.

	Siemens	7 million DM (1962)
Rheinmetall		2.5 million DM (1966)
Nobel field		5 million DM (1986)
	Daimler-Benz	10 million DM (1988)

The payments made by Daimler-Benz AG represent a special case in this context, as they were not passed on to the former forced laborers in the form of individual benefits, but were used exclusively for general humanitarian purposes. For example, the DM 10 million made available to the Claims Conference was to be used to support retirement and nursing homes where Jewish victims of National Socialism were cared for. Individual payments were excluded on the grounds that this would serve to *"avoid the bureaucratic process that would have been necessary to determine compensation"*<sup>425</sup> and would therefore be in the interests of the Nazi victims. The German Red Cross and corresponding French, Belgian and Dutch associations received a further DM 5 million for the same purpose. DM 5 million was also paid to organizations in Poland to support medical facilities.<sup>426</sup> Daimler-Benz thus paid a total of DM 20 million.

For the first time, non-Jewish people living in Eastern Bloc countries were thus, albeit only indirectly. Forced laborers were included among the beneficiaries of these payments. However, the industrial companies continued to reject direct compensation with reference to the London Debt Agreement.<sup>427</sup> This legal position was regularly reaffirmed by the respective federal government, most recently in a report on reparations dated October 31, 1986.<sup>428</sup> A final settlement was only conceivable within the framework of a peace treaty.

Of course, this attitude also reflected the East-West confrontation. This meant that the former forced laborers became victims of the political constellation for the second time through no fault of their own.

### 6.11.1. 1989: Bill on 'Compensation for Nazi forced laborers'

In order to counter this obvious injustice, the Green and SPD parliamentary groups called for the establishment of a public foundation 'Compensation for Forced Labor' in the summer of 1989.<sup>429</sup> This foundation was to receive funding of 250 or 300 million DM, which was to be paid out to former forced laborers regardless of nationality. In addition, it was envisaged that the foundation's capital could be increased by accepting donations from *"companies and municipalities in which forced laborers were employed"*<sup>430</sup>. Industrial companies that had previously refused to make any compensation payments were also finally to be included in the reparations.

However, before these bills could be discussed further, the fall of the Berlin Wall on November 9, 1989 created the conditions for reunification

[425] German Bundestag, printed matter 11/6286, point 4.

[426] German Bundestag, printed matter 11/6286, point 4.

[427] German Bundestag, printed matter 11/6286, point 5.

[428] German Bundestag, printed matter 10/6287.

[429] Draft law of the parliamentary group DIE GRÜNEN, German Bundestag, printed matter 11/4704 of 6.6.1989; motion of the parliamentary group of the SPD, German Bundestag, printed matter 11/5176 of 14.9.1989.

[430] SPD, German Bundestag, printed matter 11/5176, point 5.

Germany. A development that ended with the collapse of the Soviet Union and the end of the Eastern Bloc and with it the ideological contradictions that had defined world history for the last 40 years. The "final settlement of the reparations issue" was thus within reach.

### 6.11.2. 1989: Expert opinion - 'foreign worker ruling' of the BGH no longer tenable

On December 14, 1989, a hearing of experts on the subject of compensation for forced labor took place before the Bundestag's Committee on Internal Affairs. In his expert opinion, Professor Dr. Gerhard Stuby, an expert for the SPD and the Greens, stated that the previous refusal to pay compensation was legally untenable.<sup>431</sup>

The most important point he made was that Poland had not even acceded to the much-cited 'London Debt Agreement'. However, by applying the provisions of the agreement, Poland had suffered damage amounting to of the refused compensation payments incurred. Since however *However, since "treaties under international law may not create either obligations or rights for a third state"*<sup>432</sup>, such an approach was inadmissible under international law as an "agreement to the detriment of third parties".<sup>433</sup> He was able to refute the German government's objection that, in the absence of a peace treaty, no foreign victims of National Socialism had yet received compensation and that Poland was therefore not entitled to any. In the mid-1950s, the Federal Government had concluded a total of 11 global agreements on compensation payments with various Western European states with a total volume of DM 1 billion.<sup>434</sup> These states had protested massively after the restrictive German interpretation of Art. 5 para. 2 of the LondSchAbk had become known. Tacitly accusing Poland of not having exerted similar pressure despite the Iron Curtain was just as cynical as offsetting it against the injustice of the expulsion of the Germans from Silesia or East Prussia.<sup>435</sup>

Equally inadmissible was the assumption that a final settlement of the reparations issue with regard to Poland or the Soviet Union could be omitted altogether, since both states had waived further reparations payments to the GDR in 1954 and 1953 respectively. To assume that the GDR had negotiated a waiver agreement with Poland that applied to the whole of Germany as a "representative" of the Federal Republic, so to speak<sup>436</sup>, was an adventurous construction that sounded even more implausible in view of the fact that the GDR was never recognized by the Federal Republic under international law. The official doctrine of the Federal Government had always been that the Federal Republic alone was to be regarded as the legal successor to the German Reich and that it therefore had the exclusive right of representation for the whole of Germany. Furthermore, Poland had always maintained its legal position, even vis-à-vis the GDR, that *private* claims for compensation were not covered by the waiver of reparations.<sup>437</sup>

[431] STUBY, G.: Problems of international law problems on the question of compensation of Polish forced laborers under the Nazi regime. In: *ZRP* (1990), p. 314ff.

[432] Art. 34 of the Vienna Convention.

[433] STUBY, G.: Problems of international law problems on the question of compensation of Polish forced laborers under the Nazi regime. In: *ZRP* (1990), p. 317.

[434] not to mention the payments to Israel under the Hague Agreement of 1952.

[435] STUBY, G.: Problems of international law problems on the question of compensation of Polish forced laborers under the Nazi regime. In: *ZRP*

*ry* (1990), p. 315.

- [436] STUBY, G.: Problems of international law problems on the question of compensation of Polish forced laborers under the Nazi regime. In: *ZRP* (1990), p. 318.

The decision by the Federal Court of Justice to refuse individual compensation payments must therefore be revised from today's perspective. In the past decades, many former forced laborers had already died without receiving just compensation for their suffering. By 1989, most former forced laborers were already 67 years old on average.<sup>438</sup> According to Stuby, there was therefore a danger that *"of all people, the group of Nazi victims who (had) suffered the most"*<sup>439</sup> would be left empty-handed and the Polish forced labor problem would be solved in a "biological" way. He concluded his remarks with the question: *"Should lawyers be involved in this business without objection?"*<sup>440</sup>

### 6.11.3. 1991: Establishment of the 'Polish-German Foundation for Reconciliation'

After the 'Neighborhood Treaty' with Poland was signed on 17.6.1991, the German Bundestag decided on 17.10.1991 to set up a foundation to compensate Polish forced labourers.<sup>441</sup> The foundation's assets amount to DM 500 million, which will be made available from federal funds. With an expected number of at least 100,000 applications, the foundation will initially proceed according to age priority, i.e. only the generation of those now over 80 will receive payments. The amount of the payments will be based on the duration of forced labour, but it is not yet possible to say anything about the final amount of the individual sums due to organizational obstacles that have not yet been overcome in the examination of the claims. In individual cases, however, the equivalent of around DM 500 has been paid out for 18 months of forced labor.<sup>442</sup> Not a large amount, but a symbol of reconciliation after 40 years.

## 6.12. 1992: On the chances of further compensation payments

The GDR had always refused to pay reparations to Israel, for example, citing its "anti-fascist past". The 3 billion marks agreed in the Hague Agreement, as well as all payments made to victims of National Socialism in accordance with the Federal Compensation Act, therefore represented the West German share alone.

With the reunification of Germany, Article 2 of the 'Agreement on the Implementation and Interpretation of the Unification Treaty' therefore stipulated that

*"the contracting parties (...) express their intention (...) to advocate just compensation for material losses suffered by the victims of the Nazi regime. In continuity with the policy of the Federal Republic of Germany, the Federal Government is prepared to reach agreements with the Claims Conference on the additional fund solution in order to provide hardship payments to the victims of persecution."*

[437] STUBY, G.: Problems of international law problems on Compensation Polish  
the question of the  
Forced laborers under the NS regime. In: *ZRP* (1990), p. 318.

[438] STUBY, G.: Problems of international law problems on Compensation Polish  
the question of the  
Forced laborers under the NS regime. In: *ZRP* (1990), p. 318.

[439] STUBY, G.: Problems of international law problems on Compensation Polish  
the question of the  
Forced laborers under the NS regime. In: *ZRP* (1990), p. 318.

[440] STUBY, G.: Problems of international law problems on Compensation Polish  
the question of the  
Forced laborers under the NS regime. In: *ZRP* (1990), p. 318.



- [441] German Bundestag, Plenary Minutes 12/50.  
[442] License plate D (ZDF) from 20.10.1992.

*who have so far received no or only minimal compensation under the statutory provisions of the Federal Republic of Germany.* <sup>443</sup>

In November 1992, the Federal Government signed a corresponding agreement with the Claims Conference, according to which a sum of one billion DM is to be paid out in the period from 1993 to 1999. For the 1993 federal budget alone, DM 100 million has already been earmarked for compensation payments. <sup>444</sup>

As the application deadlines for the Federal Compensation Act had already finally expired in 1969, the total sum of all state compensation payments is therefore expected to amount to DM 121 billion by 2030. <sup>445</sup>

### **6.12.1. Volkswagen AG wants to pay DM 12 million**

In the meantime, further negotiations have come to a conclusion. Volkswagen AG has agreed to pay DM 12 million as compensation for the injustice committed in its factories under the Nazi regime. However, again explicitly without any acknowledgement of guilt. This money is to be used for general humanitarian purposes in line with the Daimler-Benz agreement.

### **6.12.2. I.G. Farben i.L. holds out the prospect of a later foundation at**

At the annual shareholders' meeting in Frankfurt on November 29, 1991, the 'Alliance against I.G. Farben' demanded that the liquidation, which had now been ongoing for 40 years, be completed in 1992 and that the former forced laborers be compensated with the remaining assets. <sup>446</sup> However, this was rejected by Ernst Krienke, Chairman of the Supervisory Board of I.G. Farben i.L., with reference to I.G.'s renewed claims to ownership of companies and land in the former GDR following reunification. Although the Federal Constitutional Court had rejected the restitution of property expropriated by the Soviet occupying power between 1945 and 1949 in its decision of April 23, <sup>1991</sup><sup>447</sup>, there was still a claim for compensation. In addition, there were 130,000 square meters of formerly I.G.-owned real estate in East Berlin alone, which had clearly only been expropriated after 1949. Until this question had been clarified, it was impossible to complete the liquidation.

However, Krienke promised that 5% of the proceeds from GDR assets would be used to set up a <sup>448</sup> The prerequisite for the establishment of the foundation, from which former forced laborers could then also be compensated, was of course the successful assertion of claims to I.G.'s eastern assets.

It remains to be seen whether this offer was just an empty phrase to appease the critics, which is to be feared, or whether the former forced laborers of I.G. Farben will actually receive justice after 40 years.

[443] Federal Law Gazette II 1990 p. 1239 of 28.9.1990.

[444] Süddeutsche Zeitung of November 9, 1992.

[445] Süddeutsche Zeitung of 11.11.1992.

[446] Süddeutsche Zeitung of 30.11/1.12.1991: "Between dissolution and morality".

[447] Federal Constitutional Court, judgment of April 23, 1991, in: NJW (1991) p. 1597ff.

[448] Frankfurter Allgemeine Zeitung of December 7, 1991.

In the meantime, the federal government has presented a draft compensation law.<sup>449</sup> According to this, there will be no restitution of the property expropriated in the course of the land reform before the GDR was founded, but there will be compensation payments, the amount of which will be based on the standard <sup>value</sup><sup>450</sup> of the property in 1935. Business assets will be compensated at one times this value, while a factor of 1.3 is envisaged for land and property.

For I.G. Farben i.L., there is thus the prospect of substantial compensation payments: the last balance sheet from December 31, 1944 shows 151 million square meters of real estate for the territory of the future GDR alone.<sup>451</sup> In total, the assets in the east are estimated to have a book value of 1 billion Reichsmarks.

### 6.12.3. Efforts to establish a neutral foundation

*No money to communist states* - this is how the attitude of the German governments during the Cold War could be summed up. Even if the restrictive interpretation of the London Debt Agreement underpins the argument, the payments made to Western states shed light on the actual motive.

Now, finally, after the end of the East-West conflict, action is being taken and the "final settlement of reparation claims" is being tackled in agreements with the countries of the former Eastern Bloc. The industry still lacks a similar willingness to react to changed framework conditions. Although the Federal Government was already instructed by Parliament on October 31, 1990 to conduct negotiations with the associations of German industry on their involvement in the compensation issue, there seems to be little inclination on the industrial side to finally atone for the injustice committed.

On December 6, 1991, the Federal Government reported on its unsuccessful efforts to date: According to communications from the <sup>associations</sup><sup>452</sup>, it was no longer possible to determine which companies had employed forced laborers, as neither files from that time nor living contemporary witnesses were available. In general, according to the industry's position, it had been established in court that any claims were now time-barred.<sup>453</sup>

This statement is not tenable. In its decision in 1963, the BGH explicitly postponed a clarification of this question indefinitely. A final judicial clarification is therefore still pending. Quite apart from this, however, it also seems somewhat premature to be satisfied with the association's statement that incriminating files no longer exist.

However, the Federal Government considers further investigations to be *"not promising"* and points out that it does not *"see any legal possibilities to induce companies that employed forced laborers during the Second World War to make compensation payments"*.<sup>454</sup> Although the Federal Government expresses the hope, with reference to the 'Foundation for Reconciliation', that it will also receive *"funds from third parties"*, this hope has so far been disappointed.

[449] Süddeutsche Zeitung of April 2, 1993.

[450] Tax value, e.g. of real estate and business assets, which is determined in accordance with the Valuation Act.

[451] DIE ZEIT of November 22, 1991.

[452] Federation of German Industries (BDI) and Association of German Chambers of Industry and Commerce (DIHT).

[453] German Bundestag Printed matter 12/1762.

[454] German Bundestag Printed matter 12/1762.

The question of admission of guilt is likely to play an important role. After almost 50 years, hardly any of the companies involved at the time will admit culpability. Insisting on this therefore effectively means preventing reparation. If the former Nazi forced laborers are finally to be helped, this means overcoming ideological divides on both sides.

The agreement with Poland is therefore to be welcomed as an important step, but former forced laborers from other countries of the former Eastern Bloc are also entitled to compensation, so that a purely two-state solution falls short of the mark. Obviously, it also means no progress in terms of a contribution from industry. It is therefore important to continue to pursue the path that enabled companies to voluntarily contribute money to the reparation of National Socialist injustice: the state foundation.

In this context, the question naturally arises as to which person would have the moral integrity to head such a foundation and proactively convince all the groups involved of the need to work together. Richard von Weizsäcker is such a man. He has proven it often enough: in his speech on May 8, 1985, he called on the German people to take responsibility for the consequences of National Socialism. His term of office as Federal President ends in May 1994. If he could be won over to the Foundation, he would perhaps be able to give the Foundation a decisive impetus.

However, it will depend on their realization in the coming years whether the chapter of Nazi forced labor can finally be closed in a conciliatory manner.

## 7. I.G. Farben and its successors up to today

### 7.1. Careers of I.G. Farben managers in the post-war period

As already mentioned in chapter five (Nuremberg trials and disentanglement), the I.G. Farben war crimes trial had ended with acquittals for most members of the I.G. management against the backdrop of the incipient Cold War. Even the few I.G. managers who had been sentenced to prison terms of up to eight years for "plundering" and "enslavement" only had to serve a fraction of their sentences. As early as the end of 1951, all industrialists convicted of war crimes, including the I.G. Farben directors, were pardoned and released from prison as part of a comprehensive amnesty. Their subsequent careers then took place in the general political climate of the Restoration. Within a very short space of time, the management levels of the I.G. successors were once again filled with the old I.G. management personnel (even if only "less incriminated" members of the "second management level" were initially brought in here and there to preserve a period of shame). There was never any sense of guilt whatsoever. Otto Ambros, responsible for the planning and operation of I.G. Auschwitz and sentenced to 8 years imprisonment for 'enslavement' in Nuremberg, answered a reporter from the 'San Francisco Chronicle' in 1982 when asked what he had done during the war: *"That was so long ago. It had to do with Jews. We don't think about it anymore."*<sup>[455]</sup>

As already mentioned, all the others whose names were mentioned in the previous chapters also quickly resumed their positions of power and influence in post-war Germany (West), as the following (non-exhaustive) list shows.<sup>[456]</sup>

#### Carl Krauch (1887-1968):

- Member of the I.G. Farben Board of Management 1926-1940, Chairman of the Supervisory Board 1940-1945, Head of the W Switchboard (see Chapter 3), Head of the Reich Office for Economic Expansion, General Plenipotentiary for Special Issues in Chemical Production, Military Economic Director
- 1943 Knight's Cross of the War Merit Cross
- Sentenced to six years in prison in 1948 for 'enslavement', released early in 1950
- 1955 Member of the Supervisory Board of Buna-Werke Hüls GmbH

[455] HILBERG, RAUL: *The extermination of the European Jews*. Berlin : 1982; p. 739. quoted from: KÖHLER, OTTO: ... *and today the whole world; The history of I.G. Farben and its fathers*. Hamburg, Zurich : Rasch und Röhrig Verlag, 1986 - ISBN 3-89438-010-1, p. 282.

[456] Data taken from KÖHLER, OTTO: *Die Geschichte einer bürgerlichen Vereinigung; I.G. Farben*. In: *KONKRET* No. 9/82 EXTRA (1982). and from the book HEINE, JENS ULRICH: *Verstand und Schicksal; Die Männer der I.G. Farbenindustrie A.G. (1925-1945) in 161 Kurzbiographien*. Weinheim, New York, Basel, Cambridge : Verlag Chemie 1990 - ISBN: 3-527-28144-4. Apart from the pure data material, however, the latter work is justification propaganda. It seems questionable that the renowned Chemie publishing house still published a book in 1990 which, among other things, states: *"The tragedy of the former IG Farben personalities, however, was and is not that they were slandered, humiliated and condemned by a victorious tribunal abroad, but that they had to experience something similar in their own country - especially by the post-war generation."*

- appeared as a witness in the Frankfurt Auschwitz trial of 1965 with the statement: *"They were mostly asocial elements, political prisoners"*<sup>457</sup> (about the concentration camp prisoners in Auschwitz-Monowitz)

#### **Fritz ter Meer (1884-1967):**

- on the I.G. Farben Board of Management 1926-1945, member of the Working Committee and the Technical Committee, Head of Division II
- 1943 Plenipotentiary General for Italy of the Reich Minister for Armaments and War Production, Wehrwirtschaftsführer
- top I.G. official responsible for the Buna plant in Auschwitz - *"The prisoners did not suffer any particular harm because they would have been killed anyway."*<sup>458</sup>
- 1948 sentenced to seven years in prison for 'plundering' and 'enslavement', released in 1952
- 1955 Member of the Supervisory Board of BAYER
- 1956-1964 Chairman of the Supervisory Board of BAYER
- Chairman of the Supervisory Board of Th. Goldschmidt AG, Deputy Chairman of the Supervisory Board of Commerzbank-Bankverein AG, on the Supervisory Board of Waggonfabrik Uerdingen, Düsseldorfer Waggonfabrik AG, Bankverein Westdeutschland AG and Vereinigte Industrieunternehmungen AG (VIAG)

#### **Hermann Schmitz (1881-1960):**

- on the I.G. Farben Board of Management 1926-1935, Chairman of the Board of Management 1935-1945, 'Chief Financial Officer' of I.G.,
- Military economic leader, member of the Reichstag (NSDAP)
- 1941 War Merit Cross 1st class
- Sentenced to four years in prison in 1948 for 'looting', released early in 1950
- 1952 Member of the Supervisory Board of Deutsche Bank Berlin-West
- 1956 Honorary Chairman of the Supervisory Board of Rheinische Stahlwerke

#### **Fritz Gajewski (1888-1962):**

- on the I.G. Farben Board of Management 1931-1945, Head of Division III (liaison office to Dynamit Nobel), member of the Southeast Europe Committee, military economics leader
- declared *"not guilty"* on all charges at the Nuremberg trial<sup>459</sup>
- 1949 Managing Director, 1952 Chairman of the Board of Dynamit Nobel AG
- 1953 Grand Cross of the Order of Merit of the Federal Republic of Germany
- Retired in 1957, Chairman, later Honorary Chairman of the Supervisory Board of Dynamit Nobel AG,  
Chairman of the Supervisory Board of Genschow&Co.  
and of Chemie-Verwaltungs-AG,  
Member of the Supervisory Board of Chemische Werke Hüls AG and Gelsenkirchener Bergwerke

[457] KÖHLER, OTTO: The history of a civic association; I.G. Farben. In: *KONKRET* No. 9/82 EXTRA (1982).

[458] SASULY, RICHARD: *IG Farben*. Berlin : 1952; p. 148. quoted from: KÖHLER, OTTO: ... *and today the whole world; The history of I.G. Farben and its fathers*. Hamburg, Zurich : Rasch und Röhrig Verlag, 1986 - ISBN 3-89438-010-1, p. 301.

[459] Before the tribunal, Gajewski cited the release of his Jewish fellow board member Gerhard Ollendorff from Gestapo custody in his exoneration, although it emerged during cross-examination that he had previously denounced Ollendorff himself - cf. BORKIN, JOSEPH: *Die unheilige Allianz der I.G. Farben; eine Interessengemeinschaft im Dritten Reich*: Frankfurt/Main, New York : Campus Verlag, 1979, 1990 (vol. 1030) - ISBN: 3-593-34251-0; Campus series, p. 133f.

**Heinrich Bütefisch (1894-1969):**

- on the I.G. Farben Board of Management 1934-1945, Deputy Head of Division I, Head of Gasoline Synthesis at I.G. Auschwitz
- held the talks with Hitler in 1932 (together with Gattineau) that led to the gasoline pact, worked with Krauch on the four-year plan in 1936 as production representative for oil in the Ministry of Armaments
- SS-Obersturmbannführer, Wehrwirtschaftsführer, member of the 'Circle of Friends of the Reichsführer SS'
- Sentenced to six years in prison in 1948 for 'enslavement', released in 1951
- 1952 Member of the Supervisory Board of Ruhr-Chemie, Kohle-Öl-Chemie etc.
- 1964 Grand Cross of Merit of the Order of Merit of the Federal Republic of Germany, after fierce protests the award was revoked 16 days later

**Friedrich Jähne (1879-1965):**

- on the I.G. Farben Board of Management 1934-1945, Chief Engineer of I.G., Deputy Head of BG Mittelrhein/Maingau
- 1943 Military economy leader, War Merit Cross 1st class
- Sentenced to 18 months in prison for 'looting' in 1948
- 1955 Member of the Supervisory Board of the "new" Farbwerke Hoechst, elected Chairman of the Supervisory Board in the same year - Hoechst Chairman Karl Winnacker, still prepared for this task by ter Meer, said: "*In the meantime, the Liquidation Finalization Act and had freed us from all discriminatory provisions from the unbundling period. We were therefore able to propose Friedrich Jähne, the chief engineer of the old I.G., for the Supervisory Board at the Annual General Meeting. He took over the chairmanship of this body until 1963. None of us would have thought in 1945 that the two of us would once again be able to work together like this at the top of our company.*"<sup>[460]</sup>
- Chairman of the Supervisory Board of Alfred Messer GmbH (later Messer-Griesheim), Member of the Supervisory Board of Linde's
- 1959 Dr.-Ing. E.h. of the TH Munich, 1962 Bavarian Order of Merit, Honorary Senator of the TH Munich, Grand Cross of Merit with Star of the Order of Merit of the Federal Republic of Germany

**Otto Ambros (born 1901):**

- on the I.G. Farben Board of Management 1938-1945, member of the Chemicals Committee and Chairman of Commission K (Explosives), special advisor to Krauch's R&D department for the Four-Year Plan, head of Special Committee C (Chemical Explosives) of the Main Committee for Powder and Explosives in the Armaments Office, military economics leader
- responsible for site selection, planning, construction and management of I.G. Auschwitz as plant manager and managing director of the Buna plant and fuel production
- 1945 Knight's Cross of the War Merit Cross
- Sentenced to eight years in prison in 1948 for 'enslavement', released early in 1952
- From 1954 Chairman, Deputy Chairman, Member of the Supervisory Boards of: Chemie Grünenthal, Pintsch Bamag AG, Knoll AG, Feldmühle Papier- und Zellstoffwerke, Telefunken GmbH, Grünzweig&Hartmann, Internationale Galalithgesellschaft, Berliner Handelsgesellschaft, Süddeutsche Kalkstickstoffwerke, Vereinigte Industrieunternehmungen AG (VIAG),

[460] KÖHLER, OTTO: The history of a civic association; I.G. Farben. In: *KONKRET* No. 9/82 EXTRA (1982).

Mining company Hibernia with its subsidiaries Scholven-Chemie and Phenol-Chemie

- as an advisor to F.K.Flick and the US industrialist J.P.Grace involved in the 'Flick scandal' in the mid-1980s

#### **Carl Wurster (1900-1974):**

- Member of the I.G. Farben Board of Management 1938-1945, Head of BG Oberrhein, Member of the Supervisory Board of the German Society for Pest Control (DEGESCH)
- Military economic leader and member of the Military Economic Council of the Reich Chamber of Commerce
- 1945 Knight's Cross of the War Merit Cross
- declared "*not guilty*" on all charges at the Nuremberg <sup>trial</sup><sup>461</sup>
- 1952 Chairman of the Board of Executive Directors of the "new" <sup>BASF</sup><sup>462</sup>, Chairman of the Supervisory Board of Duisburger Kupferhütte and Robert Bosch AG, member of the Supervisory Boards of Auguste Victoria, Buna-Werke Hüls GmbH, Süddeutsche Bank, Deutsche Bank, Vereinigte Glanzstoff, BBC, Allianz, Degussa and many others, retired in 1965 and Chairman of the Supervisory Board of BASF
- 1952 Honorary Professor at the University of Heidelberg, Dr. rer. nat. h.c. at the University of Tübingen, 1953 Dr.-Ing. E.h. of the Technical University of Munich, 1955 Grand Cross of Merit with Star of the Order of Merit of the Federal Republic of Germany, Bavarian Order of Merit, 1960 Dr. rer. pol. h.c. of the University of Mannheim, Honorary Senator of the Universities of Mainz, Karlsruhe and Tübingen, Honorary Citizen of the University of Stuttgart, Honorary Citizen of the City of Ludwigshafen, 1967 Schiller Prize of the City of <sup>Mannheim</sup><sup>463</sup>, President of the German Chemical Industry Association, Vice President of the Max Planck Society, the Society of German Chemists and many more.

## **7.2. New names - old practices**

### **7.2.1. The successors on the way to old greatness**

With the aforementioned I.G. Farben continuity in terms of personnel, it is of course anything but surprising that the I.G. successors did not and do not differ significantly from the old I.G. Group. No secret was made of this at any time. When Farbwerke Hoechst was spun off in 1953, its CEO Karl Winnacker lamented the "dismantling" of the I.G. Farben Group as a

[461] With regard to the charge of "enslavement and killing of the civilian population, prisoners of war and concentration camp inmates", Wurster (like the other members of the DEGESCH supervisory board) claimed to have known nothing about the true purpose of the huge quantities of Zyklon B sold to the SS.

[462] Under his leadership in the 1960s, the decision was made to build a nuclear power plant on the BASF site - a site at risk of explosion and located in the middle of a conurbation of half a million inhabitants. As late as 1974, Wurster's successor Bernhard Timm tried to extort approval for this project with the spectre of economic stagnation painted on the wall (KÖHLER, OTTO: Die Geschichte einer bürgerlichen Vereinigung; I.G. Farben. In: *KONKRET* No. 9/82 EXTRA (1982)).

[463] this prize is awarded for "*special or expected cultural achievements*"



"Destruction of the most important economic enterprise that German science and technology and German entrepreneurial spirit had ever built up".<sup>464</sup> The division of the overly sprawling I.G. into smaller units was certainly in the interests of the company owners: "The old I.G. also had organizational shortcomings, which (...) were due to its excessive centralization. It should be remembered that even before the end of the war, plans had been developed within I.G. itself that were aimed at splitting it up and decentralizing it."<sup>465</sup> In addition, unbundling proved to be a good way of easily blocking all demands for the socialization of the basic industries (coal, steel and chemicals).

Although the division into twelve legally independent companies initially stipulated by the Allies did not meet the needs of the I.G. successors in every respect, the redivision of the markets among the new old 'Big Three' was then only a matter of time. In Germany, it only took a few years for Bayer, BASF and Hoechst to regain their former monopoly position through acquisitions and shareholdings. While the ten largest chemical companies had a 37.5% share of total domestic chemical sales in 1954, this figure had risen to over 90% almost twenty years later, of which 60 to 70% was accounted for by the successors to I.G. Farben.<sup>466</sup>

Of course, securing a monopoly position also includes access to the raw materials for production. This is why, for example, BASF acquired the entire Wintershall Group in 1968 (Wintershall AG share capital: DM 176 million, Group sales almost DM 2 billion) with numerous subsidiaries in Germany and abroad, including Burbach-Kaliwerke AG, Guano-Werke AG, Kali-Bank AG, Siegle & Co. GmbH, and Kast & Ehinger GmbH; Erdöl-Raffinerie Mannheim GmbH, Kali und Salz AG and Salzdetfurth AG should also be mentioned as Wintershall associated companies. This not only secured BASF's supply of crude oil, natural gas, petrochemicals and salts, but also brought its main competitor in the field of nitrogen fertilizers into its own warehouse.<sup>467</sup> An example of the effect of such monopoly policies was seen in the former GDR, where the now wholly owned BASF subsidiary Kali und Salz AG had the potash mine in Bischofferode closed down at the end of 1993 in order to secure its dominant market position. As is so often the case, the monopolists were able to rely on the appropriate political support in this case too, because even after the closure plans became known, the sale of the formerly state-owned company to Kali und Salz AG was never called into question by the Treuhand.

In all of this, the claims among the 'Big Three' are neatly staked out against each other - true to Duisberg's postulate of 'ideal competition' (see Chapter 1), there is only so much competition that the incentive to innovate is maintained, but profits remain untouched

[464] KÖHLER, OTTO: The history of a civic association; I.G. Farben. In: *KONKRET* No. 9/82 EXTRA (1982).

[465] Fritz Reuther, former member of the Supervisory Board of I.G. Farben. quoted from RÄUSCHEL, JÜRGEN: *Die BASF; Zur Anatomie eines multinationalen Konzerns*. Cologne : Pahl-Rugenstein, 1975 - ISBN 3-7609-0153-0; p. 21.

[466] SCHREIBER, PETER WOLFRAM: *I.G. Farben, die unschuldigen Kriegsplaner; Profit aus Krisen, Kriegen und KZ's; Geschichte eines deutschen Monopols*. Stuttgart : Verlag Neuer Weg, 1978 - ISBN 3-88021-085-3; p. 176.

[467] RÄUSCHEL, JÜRGEN: *BASF; The anatomy of a multinational corporation*. Cologne : Pahl-Rugenstein, 1975 - ISBN 3-7609-0153-0; p. 28. and SCHREIBER, PETER WOLFRAM: *I.G. Farben, die unschuldigen Kriegsplaner; Profit from crises, wars and concentration camps; History of a German monopoly*. Stuttgart : Verlag Neuer Weg, 1978 - ISBN 3-88021-085-3; S. 176.

remain. After a "land consolidation" in the domestic market in 1970, in which the most important joint subsidiaries were divided up among themselves, the then Hoechst CEO Sammet announced: *"The Hoechst management and also that of Bayer and BASF are happy and satisfied with the arrangement that has now been found. (...) We are far from any sales envy among the three major I.G. successors."*<sup>468</sup>

### 7.2.2. The nature and actions of multinational corporations

However, the previous observations on the division of power and market shares would be incomplete if they focused only on the domestic market. The drive for expansion and world market control was by no means only a characteristic of the "old" I.G. What its board member Max Ilgner formulated in 1936 after a trip to Latin America is still being chanted today by the multinationals as a credo of controlled development: *"Of course, from the point of view of the highly industrialized countries", "intervening in the industrialization process" of the three continents "must be a means to an end and not an end in itself. Only where this development cannot be stopped for reasonable reasons should we intervene."* Ilgner later went a little further: The development processes in Africa, Asia and Latin America should be redirected in such a way that it becomes possible to continuously mobilize their resources in the form of foreign currency for the benefit of the ongoing technological thrusts in the <sup>metropolises</sup><sup>469</sup>. Secondly, the metropolises were to intervene specifically *"in the industrial development of the world" in order to link this plundering of resources with an opposing export policy in favor of their own technically highly developed products. First and foremost, it was always a matter of "underpinning one's own exports and securing a corresponding share of the purchasing power created or to be created".*<sup>470</sup> Such an approach had not bothered the other capitalist economic centers before (as evidenced by the almost smooth cooperation of American companies with the I.G. Group even during wartime), so there were no obstacles for the I.G. successors in this respect either. At the beginning of the 1950s, the BDI (in which former I.G. Farben board member W.R. Mann was elected chairman of the foreign trade committee in 1950) issued the corresponding slogans: *"Export at any price" and "Regaining the North American markets"*<sup>471</sup> were the official slogans.

Whether Bayer, BASF or Hoechst - each of these three companies now has a

The number of subsidiaries and shareholdings spread across the globe is unmanageable. The reasons for this are obvious. It is always about the "conquest" and

[468] Handelsblatt, 09.01.70. Quoted from: SCHREIBER, PETER WOLFRAM: *I.G. Farben, die unschuldigen Kriegsplaner; Profit aus Krisen, Kriegen und KZ's; Geschichte eines deutschen Monopols*. Stuttgart : Verlag Neuer Weg, 1978 - ISBN 3-88021-085-3; p. 176.

[469] the northern industrialized countries as centers of the global economy.

[470] O.M.G.U.S.: *Ermittlungen gegen die I.G. Farbenindustrie A.G.* - Ed. Hans Magnus Enzensberger; Nördlingen : Verlag Franz Greno, 1986 (Special volume of the Other Library) - ISBN: 3-891-900-198, p. 359. (from the German editor's introduction to Appendix C "'Neuordnungs'- und Nachkriegsplanung", which provides a comprehensive and very informative account and assessment of I.G. Farben's plans for world domination)

[471] SCHREIBER, PETER WOLFRAM: *I.G. Farben, die unschuldigen Kriegsplaner; Profit aus Krisen, Kriegen und KZ's; Geschichte eines deutschen Monopols*. Stuttgart : Verlag Neuer Weg, 1978 - ISBN 3-88021-085-3; p. 197.

"defending" markets, maximizing the ratio of profits to production costs and thus, not least, power. With regard to the latter aspect in particular, it is impressive to compare the turnover of multinational corporations (i.e. the value of all goods and services sold in a year) with the gross domestic product of countries (i.e. the value of all goods and services produced domestically). In 1990, BASF (US-\$ 28.8 billion), Hoechst (US-\$ 27.7 billion) and Bayer (US-\$ 25.7 billion) were ranked 68th, 71st and 72nd respectively in such a ranking and thus in the range of countries such as Hungary (US-\$ 28.0 billion), Ireland (US-\$ 27.8 billion) and Peru (US-\$ 25.6 billion). Taken together, the three I.G. successors even climb to 27th place between Indonesia (USD 83.2 billion) and Argentina (USD 89.4 billion) with USD 82.2 billion.<sup>472</sup>

Ultimately, figures such as gross domestic product or corporate turnover are nothing more than indicators of economic power. This makes it clear that a large number of states cannot afford conflicts of interest with multinationals. The corporations also prevent such conflicts by securing the support of the national elites. The victims of such developments are - as always - the local people. They suffer from the environmental poisoning that emanates from the multinationals' factories, where even absolutely inadequate standards and limit values are repeatedly disregarded. For example, according to the Brazilian environmental control authority, Bayer do Brasil "disposed" of three tons of chromium per day into the Sarapui River (...) until a few years ago. To this day, Bayer does not comply with the prescribed limits for chromium (Cr<sup>+VI</sup> is carcinogenic). According to an investigation, the guideline values for four other substances (phenol, ammonia, lubricants and oils, copper) were also not complied with. In 1990, a further extension of one year was granted for the maximum amount of chromium discharged into the river.<sup>473</sup> In the countries of the <sup>Tricontinent</sup><sup>474</sup>, pesticides and pharmaceuticals are used that have long been banned in the "developed" countries. Nicaragua, for example, became a testing ground for pesticide trials in the early 1950s due to its lax environmental protection legislation. (...) Bayer tested methyl parathion, a derivative of a nerve gas developed by the Nazis during the Second World War, in the area around León. More than 6 million kilograms of this deadly chemical were spread in 1951 alone, leading to dozens of deaths and hundreds of illnesses among Nicaraguan field workers and their families. The following year, the Ministry of Agriculture banned the use of methyl parathion. However, this ban was withdrawn by dictator Somoza as early as 1954 under pressure from the cotton barons, who emphasized the effectiveness of methyl parathion against the weevil and other cotton pests.<sup>475</sup> In the factories themselves, people work for the lowest wages, often enough without adequate health and safety <sup>measures</sup><sup>476</sup> and their union representation is repeatedly massively hindered.<sup>477</sup> To put it in a nutshell (albeit perhaps cynically): the same factors that had made the 'Buna-Werk Auschwitz' project interesting for the I.G. Farben Group in 1941 are found today by Hoechst, Bayer and BASF in the so-called developing countries - including the sales markets for their products.

[472] Blätter des iz3w: *Die Macht der Konzerne*. No. 177, Freiburg, November 1991.

[473] BEATRIX SASSERMANN: Taking sides for the disenfranchised. In: *Keyword...* (Information from Coordination gegen BAYER-Gefahren e.V.) No.5/6, (1990).

[474] the three continents of Africa, Asia and Latin America.

[475] FABER, DANIEL: A Sea of Poison. In: *Special Issue of "Report on the Americas"* Vol.XXV, No.2, September (1991) "The Conquest of Nature, 1492-1992"; p. 32ff (translated from English).

The multinationals defend these sales markets by any means necessary. In the face of attempts by countries such as Brazil to set up their own fertilizer industry, European fertilizer producers, with the approval of their governments(!), joined together to form two export cartels and undertook "... to act only jointly in business outside Europe, to operate together in one large pot and to divide the profits from fertilizer exports according to the participation of the individual companies."<sup>478</sup>

Between 1968 and 1971, the surpluses of the BASF cartel were thrown onto the Brazilian market at rock-bottom prices, the domestic factories had to be shut down as a result, and in 1974 the Kiel Institute for the World Economy stated in a study: *"The developing countries of Africa and Latin America had to pay consistently above-average and, moreover, rising prices for German nitrogen fertilizer."*<sup>479</sup> If, however, the collaborationist ruling elites in one of these countries are replaced by governments that no longer want to neglect the welfare of their own people, then the multinationals know how to react: *"The long-awaited intervention of the military has finally taken place,"* wrote the Chilean Hoechst representative on

September 17, 1973, six days after General Pinochet, with the support of the CIA, had taken action against the

democratically elected government and assassinated President Allende, to the Frankfurt headquarters. *"(...) On the evening of September 13, it was already clear that the coup d'état would be relatively successful."*

[476] The article "Breathlessness at BIFA in Istanbul" by Henry Mathews in "Stichwort BAYER" (Information from the Coordination gegen BAYER-Gefahren e.V.) No. 3, 1990 describes the conditions at the Turkish subsidiary of Bayer, Schering and Knoll as follows: *"When the preparation is manufactured, shortness of breath occurs, a feeling as if the whole body is swelling, loss of appetite that lasts until the evening, tiredness and drowsiness. (...) The (...) complaints occur during the production of OCTINUM drops, which have not been marketed by the manufacturer KNOLL in Germany for many years. (...) Although the OCTINUM active ingredient ISOMETHEPTEN is one of the least studied active substances in this group, it is known to cause side effects such as anxiety, restlessness, vomiting, headaches and insomnia. The occurrence of such effects among BIFA employees is proof of the inadequate protective measures."*

see also Coordination gegen BAYER-Gefahren e.V. (ed.): "Chrom am Kap - Gift und Death for BAYER workers in South Africa". This documents in detail how the working conditions at Bayer's South African subsidiary Chrome Chemicals (CC) destroyed the health of many black workers. From the information listed there, it can also be concluded *"that the infirmary at CC (...) functioned solely as an early warning system for the company. As soon as a worker became seriously ill (in the truest sense of the word, this meant terminally ill), the company was able to notice this in good time, dismiss the worker and send him to his distant home."*

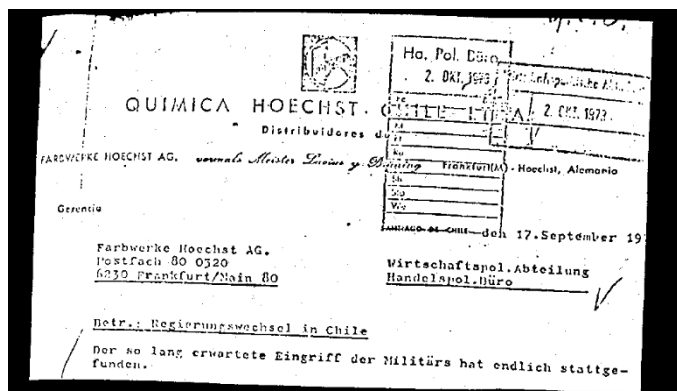
[477] cf. Coordination gegen BAYER-Gefahren e.V. (ed.): *Repression instead of wages - Jail and expulsion for disagreeable trade unionists at Bayer do Brasil*. Düsseldorf 1990.

[478] given on the record by BASF at a hearing of the German Bundestag in 1974, quoted from SCHREIBER, PETER WOLFRAM: *I.G. Farben, die unschuldigen Kriegsplaner; Profit aus Krisen, Kriegen und KZ's; Geschichte eines deutschen Monopols*. Stuttgart : Verlag Neuer Weg, 1978 - ISBN 3-88021-085-3; p. 202.

[479] SCHREIBER, PETER WOLFRAM: *I.G. Farben, die unschuldigen Kriegsplaner; Profit aus Krisen, Kriegen und KZ's; Geschichte eines deutschen Monopols*. Stuttgart : Verlag Neuer Weg, 1978 - ISBN 3-88021-085-3; p. 202.

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with little loss of material and human life - we estimate 2-3000 dead. (...) We believe that the military and police action could not have been more intelligently planned and coordinated and that it was an action that was prepared down to the last detail and brilliantly executed. (...) We are convinced that Chile will recover very soon under an energetic, authoritarian and intelligent leadership that is not influenced by politicians who only serve their party interests. (...) Chile is one of the few countries in the world today that has been able to resist the



Letter from the Chilean Hoechst branch to the parent company in Germany on the occasion of the Pinochet coup in 1973

SCHREIBER, PETER WOLFRAM: *I.G. Farben, die unschuldigen Kriegsplaner; Profit aus Krisen, Kriegen und KZ's; Geschichte eines deutschen Monopols*. Stuttgart : Verlag Neuer Weg, 1978 - ISBN 3-88021-085-3, p. 211).

Marxist virus, and which can therefore be expected to enjoy political stability for some time to come. (...) Chile will be an increasingly interesting market for Hoechster products in the future. (...) The Allende government has met the end it deserved. (...) <sup>1480</sup>

### 7.2.3. People, health, the environment - and how the chemical and pharmaceutical industries deal with them

Compared to such events, what happens in the metropolises themselves seems comparatively harmless. And yet the basic principles of action are the same here as they are there. For example, a stereotypical reaction to environmental regulations was and is the threat to cut jobs and relocate production to more "chemical-friendly" regions. (The discovery of environmental protection as an argument in advertising does not necessarily contradict this, and it is also rather recent).

The subordination of people to profit also comes to light time and again. One example of this are the users of PCP-containing wood preservatives, some of whom have suffered serious damage to their health. As early as 1966, an in-house magazine of DESOWAG (until 1986 a subsidiary of Bayer and Solvay, since 1986 a wholly owned Solvay subsidiary) published a notice on wood preservatives: *"substances harmful to health which could lead to illness in users when used"*. In 1969, a widow was awarded damages and compensation for pain and suffering by the Koblenz Higher Regional Court because her two children had suffered severe skin and mucous membrane damage after using DESOWAG wood preservatives. At a DESOWAG meeting on March 22, 1977, a senior employee stated that measurements in a model room with Xyladecor had shown values that were capable of *"even causing damage to the health of sensitive people"*. Despite all this, it was possible to state with satisfaction at a DESOWAG shareholders' meeting in 1980: *"In the meantime, the last goods containing PCP have also been sold. No quantities had to be destroyed."* (Although this statement only applied to the domestic market, as in 1984 the

[480] SCHREIBER, PETER WOLFRAM: *I.G. Farben, die unschuldigen Kriegsplaner; Profit aus Krisen, Kriegen und KZ's; Geschichte eines deutschen Monopols*. Stuttgart : Verlag Neuer Weg, 1978 - ISBN 3-88021-085-3; p. 211ff.

DESOWAG sold PCP-containing Xyladecor to Indonesia). The victims of the intended (!) use of wood preservatives, on the other hand, needed eight years, various expert opinions and a good deal of perseverance since their first criminal complaint in 1984, until the conviction of two DESOWAG managers after grueling court proceedings finally opened the way to compensation payments (which, however, still have to be fought for case by case in civil proceedings).<sup>481</sup>

Striking examples can also be found in the pharmaceutical sector. On September 9, 1973, Dr. Weuta from Bayer Leverkusen wrote in a letter to Bayer Austria about the newly introduced antibiotic Resistopen: *"We suggest that you select clinics that appear important to you not only for testing but also for business later on."* And on April 14, 1975, the following memo was sent from Leverkusen to Vienna: *"Dr. Rosanelli was interviewed together with Dr. Jackwerth on April 8. He treated approx. 100 premature babies with Resistopene. However, only 30 of these can be analyzed because the remaining 70 died shortly after the initiation of the Resistopen treatment due to their extreme weakness of life. R. handed over the 30 questionnaires, which we will process in order to then propose whether the study should be continued in this form - e.g. increased to 50 cases - or whether it is sufficient for a journalistic evaluation."*<sup>482</sup> The normal mortality rate of premature births in Austria in 1979 was 13.3%, but in this trial even a fivefold increase in mortality of 70% was accepted. Against this background, the qualitative difference to the I.G. Farben human experiments in Auschwitz and Buchenwald (cf. the correspondence between Bayer Leverkusen and the Auschwitz concentration camp cited in Chapter 4.3.3) no longer seems particularly great.

It would be easy to fill many more pages about today's large-scale chemical industry and its practices.<sup>483</sup> One of the many areas that have not yet been addressed is genetic engineering. The chemical companies expect it to offer gigantic profit potential - e.g. in cheap genetic engineering production processes for pharmaceuticals or in genetically manipulated crops that are to be sold in a package with the corresponding fertilizers and pesticides. The problem of chlorine chemistry was also not mentioned in this chapter, nor was the involvement of the chemical industry in war and armaments. If you follow the daily news closely, you will certainly discover some other important aspects.

This subchapter therefore cannot claim to be "complete" and does not intend to be.

not. However, if you require further information, please refer to the bibliography, which lists several books that deal with the whole subject or individual aspects of it in more detail.

[481] GRÜBER, KATRIN: Justice for chemical victims. In: *WECHSELWIRKUNG* No. 56, August (1992); p. 34ff.

[482] Both letters quoted from: KÖHLER, OTTO: The history of a civic association; I.G. Colors. In: *KONKRET* No. 9/82 EXTRA (1982).

[483] see e.g. COORDINATION GEGEN BAYER-GEFAHREN E.V. (ed.): *BAYER Macht Kasse; Reports on the business of the BAYER Group*. Stuttgart : Schmetterling Verlag (1991) - ISBN 3-926369-41-8.

## 7.3. The never-ending story of I.G. Farben- Liquidation

### 7.3.1. The I.G. lives on

On November 30, 1945, in accordance with the economic and political principles of the Potsdam Agreement, Control Council Law No. 9 on the confiscation and control of the assets of I.G. Farbenindustrie was published. It states:

*"In order to make any future threat by Germany to its neighbors or to world peace impossible, and in view of the fact that the I.G. Farben industry has knowingly and to an outstanding degree been involved in the expansion and maintenance of Germany's war potential, the Control Council enacts the following law:*

#### *Article I*

*All industrial facilities, assets and property of any kind located in Germany that were owned or controlled by I.G.-Farbenindustrie AG on or after May 8, 1945, are hereby confiscated and all rights in this regard are transferred to the Control Council. (...)* <sup>484</sup>

In the Soviet occupation zone, this "takeover of control" was the first step on the way to the expropriation of the I.G. Farben Group without compensation. In the referendum in Saxony on April 30, 1946, the question to be decided was: *"Do you agree with the law on the transfer of companies of Nazi and war criminals to the ownership of the people?"*, which received 77.62% of the vote with a turnout of 93.71%.<sup>485</sup> This ran fundamentally counter to the interests of the Western occupying powers. General Clay, military governor of the US zone, stated: *"What we are after in the last analysis is the preservation of free enterprise in Germany, otherwise the influence of the Communists might jeopardize our enterprises. I am convinced that there are only two options in Germany today: free enterprise - or socialism."*<sup>486</sup> The means of choice there was therefore "unbundling" - the division of the I.G. Farben colossus into its sub-units Bayer, Hoechst and BASF, as described in Chapter 5. The shares of the "old" I.G. Farben were converted into shares of the "new" successor companies, so that although the names changed, the ownership structure remained the same.

However, the name 'I.G. Farben' did not disappear completely as a result of the demerger. To the Group's international connections were far-reaching and the disguises used to protect the I.G.'s assets from being seized by the enemy were too opaque to be uncovered in the first post-war period. And finally, there were

[484] from: Official Gazette No. 5 of the Military Government of Germany (British Control Area), p. 45.

[485] SCHREIBER, PETER WOLFRAM: *I.G. Farben, die unschuldigen Kriegsplaner; Profit aus Krisen, Kriegen und KZ's; Geschichte eines deutschen Monopols*. Stuttgart : Verlag Neuer Weg, 1978 - ISBN 3-88021-085-3; p. 146.

[486] KLING, W.: *A brief history of IG Farben*. p. 33. quoted from: SCHREIBER, PETER WOLFRAM: *I.G. Farben, the innocent war planners; Profit from crises, wars and concentration camps; History of a German monopoly*. Stuttgart : Verlag Neuer Weg, 1978 - ISBN 3-88021- 085-3; p. 148.

The former I.G. plants and holdings in the Soviet occupation zone and the GDR. Just as the FRG did not want to come to terms with the existence of the GDR, the

I.G. Farben still considered the corresponding assets to be their property even after the expropriation. At the first Annual General Meeting after the end of the war in May 1955, the shareholders were informed that the final dissolution of the Group would take years. Accordingly, so-called "liquidation share certificates" were issued to the shareholders for the "old" I.G. shares (in addition to shares in the successor companies, see above).

A further argument for the continued existence of I.G. Farben as a company "in liquidation" were the many claims against I.G. that had accumulated, including claims for compensation from forced laborers who had worked in I.G. Farben factories during the war.

I.G. had to work. However, two quotes from a book published in 1956 by an author with close ties to I.G. illustrate the weighting given to the various aspects by the Group's liquidators:

*"The duration of the liquidation of I.G. Farbenindustrie AG is not yet foreseeable. Nevertheless, it will not be possible to delete the name from the commercial register because the company as such must be preserved in view of its assets in the Soviet and Polish zones. However, the disposition of this enormous range of assets can only be reasonably foreseen after day X of reunification."*<sup>487</sup>

Elsewhere, the author is even clearer: *"But the liquidators of the old I.G. feel responsible for the eastern assets so that they can hopefully return them to their rightful owners very soon after German reunification."*<sup>488</sup>

So while the company's own property claims were asserted quite naturally and aggressively, the claims of those who had to give up their labor, their health and often enough their lives for the profit of the I.G. Farben Group were blocked to the best of their ability. The years-long struggle of the former forced laborers for compensation payments is described in detail in Chapter 6. In total, the I.G. made payments of only DM 30 million to an association of Jewish organizations. By contrast, when the first I.G. Farben balance sheet of the post-war period was drawn up in 1948, the net asset value of the Group was reported at 6 billion marks after deduction of the "losses in the East". In the course of the unbundling, the shareholders received new shares in I.G. Farben's successor worth 770 DM for every 1000 RM of old shares held and liquidation shares worth 145 DM.<sup>489</sup> According to the investigation by the I.G. Farben Investigation Group of the US military government, the Group's capital at the end of the war amounted to 1.4 billion <sup>RM</sup><sup>490</sup> - the conversion therefore resulted in liquidation shares worth 203 million DM. These figures show that the liquidation company was primarily geared towards the interests of the old owners: the liquidation was to be carried out at a profit in any case, and the company succeeded in doing so. For the year 1977, the 'Handbuch der Aktiengesellschaften' listed I.G. Farben i.L. as follows:

*"Eastern values*

[487] REICHELT, W.O.: *The legacy of I.G.Farben*. Düsseldorf : Econ-Verlag, 1956; p. 12.

[488] REICHELT, W.O.: *The legacy of I.G.Farben*. Düsseldorf : Econ-Verlag, 1956; p. 92.

[489] SCHREIBER, PETER WOLFRAM: *I.G. Farben, die unschuldigen Kriegsplaner; Profit aus Krisen, Kriegen und KZ's; Geschichte eines deutschen Monopols*. Stuttgart : Verlag Neuer Weg, 1978 - ISBN 3-88021-085-3; p. 155.

[490] O.M.G.U.S.: *Ermittlungen gegen die I.G. Farbenindustrie A.G.* - Ed. Hans Magnus Enzensberger; Nördlingen : Verlag Franz Greno, 1986 (Special volume of the Other Library) - ISBN: 3-891-900-198, p. 25.



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*I.G. plants in the Soviet occupation zone: Schkopau, Bitterfeld, Wolfen-Film, Wolfen- Farben, Berlin-Lichtenberg, Premnitz, Staßfurt*

*The main investments*

	<i>Capital</i>	<i>I.G. share %</i>
<i>Ammoniakwerk Merseburg GmbH i.L., Frankfurt</i>	<i>DM 5,000,000</i>	<i>100</i>
<i>A. Riebeck'sche Montanwerke AG i.L., Frankfurt</i>	<i>RM 75,000,000</i>	<i>51</i>
<i>Gesellschaft für Landeskultur GmbH, Frankfurt</i>	<i>DM 235,000</i>	<i>85</i>

(...)

*Liquidation share certificate*

*After the formation of the successor companies, only the liquidation share certificate embodies the share rights in I.G.i.A. It is officially traded on all German stock exchanges.*

*There was no conversion to DM. The holders of the liquidation unit certificates participate in the distributions in proportion to the nominal RM amounts.*

*Denomination*

*The total amount of liquidation share certificates issued is RM1.36 billion; fully listed and admitted to the Stock Exchange; Security Code No. 575907*

*124,000 units at RM 100 = RM 12.4m; 938,000 at RM 200 = RM 187.6m; 1,160,999 at RM 1,000 = RM 1.16 billion* <sup>491</sup>

### 7.3.2. The liquidation company hits the headlines at

After its establishment, I.G. Farben i.L. soon disappeared from the public eye. As the last listed securities still denominated in Reichsmark, the liquidation share certificates were regarded more as a "curiosity". However, it was not a loss-making business. The liquidation company was extremely effective in serving the interests of I.G. Farben shareholders, who received distributions of around 80 million marks from the sale of assets over the years. However, the status of the "exotic" company, which did not attract much attention, came to an end in 1989. On November 10, the day after the Wall came down, the German stock market experienced a spectacular boom. Stock market speculators were already betting on the unification of the two German states, and so the price of 'I.G. Farben-Liquis' in particular rose from DM 12 in June 1989 to DM 31 in July 1990 due to the 'East German fantasy' (stock market jargon).<sup>492</sup> In a sensational move in July 1990, two British fund companies acquired a stake of a good 20%.<sup>493</sup>

[491] *Handbook of stock corporations*. Darmstadt, 1977; p. 767. quoted from: SCHREIBER, PETER WOLFRAM: *I.G. Farben, die unschuldigen Kriegsplaner; Profit aus Krisen, Kriegen und KZ's; Geschichte eines deutschen Monopols*. Stuttgart : Verlag Neuer Weg, 1978 - ISBN 3-88021-085-3; p. 224.

[492] PIPER, NIKOLAUS: The heirs live on. In: *DIE ZEIT* No. 44/90 (October 26, 1990).

[493] *Frankfurter Allgemeine Zeitung* July 20, 1990.

The sale of Ammoniakwerke Merseburg GmbH in 1988 seemed to herald the end of the liquidation company. All recoverable claims had been settled and the property on the other side of the border was considered irrecoverable. The proceeds of around 140 million marks were to be distributed to the owners of the liquidation shares via shares in Württembergische Cattunmanufactur.<sup>494</sup> However, with the annexation of the GDR to the FRG in October 1990, the final liquidation was again postponed to an indefinite future. In time for the

October 13, 1990, I.G. Farben i.L. submitted its claims to the real estate office in Merseburg. the old riches to the old riches: 13.5 million square meters built-up and 86.5 million square meters of undeveloped land owned by I.G. Farben itself, plus 51 million square meters of land from the holdings of Group companies. In the balance sheet of December 31, 1944, all the properties together had a value of around one billion Reichsmarks.<sup>495</sup> Just as the community of speculators was not concerned about the dark past of their "favorite" ("*... this stock has the chance to become the absolute high-flyer of the German stock exchange... If the speculation works out - if I.G. Liquis is compensated or even gets back the formerly expropriated property - then prices of over 300 marks would be no surprise.*"<sup>496</sup>), the management also remained largely unaffected by criticism in this regard. Günter Vollmann, one of the two liquidators, stated: "*I object to all reports making reference to the incriminating history. I.G. Farben is burdened by the Third Reich, but so are other large companies.*" A press release stated: "*I.G. Farben is one of a long line of German companies that expect to have their assets released or at least receive monetary compensation; a settlement for all those affected can only be made according to the same principles.*"<sup>497</sup> At this time, the legal situation for I.G. still seemed relatively unclear, as the unification treaty between the FRG and the GDR excluded expropriations between 1945 and 1949 from direct restitution. However, the I.G. liquidators felt confident enough to add something on top of the pure restitution claims. The references to contaminated sites were countered with the view that "*it was assumed that I.G. Farben had left none behind until 1945; until 1945, the I.G. Farben plants had been managed with the necessary prudence; the company could not be held responsible for environmental pollution after 1945; what had occurred after 1945 was at the expense of the public purse.*"<sup>498</sup> Apart from the fact that this argument was based on an obviously completely untenable assertion, the capitalist principle of 'privatize profits - socialize losses' has probably rarely been formulated so blatantly. However, the fact that the I.G. had apparently not played its cards too high was proven on April 23, 1991, when the Federal Constitutional Court ruled that expropriations in East Germany between 1945 and 1949 no longer had to be reversed, but that the expropriated persons however to compensated are to be compensated. The stock exchange reacted promptly - for The price of the liquidation share jumped drastically by 12.4%.<sup>499</sup>

[494] Eastern fantasy with western substance. In: *Finances*, No. 8 (1990).

[495] PIPER, NIKOLAUS: The heirs live on. In: *DIE ZEIT* No. 44/90 (October 26, 1990).

[496] Eastern fantasy with western substance. In: *Finances*, No. 8 (1990).

[497] Both quotations from: PIPER, NIKOLAUS: Die Erben leben auf. In: *DIE ZEIT* No. 44/90 (October 26, 1990).

[498] *Frankfurter Allgemeine Zeitung* 01.10.1990 and 15.10.1990.

[499] Reuters News Service, April 23, 1991.

### 7.3.3. The spectacular Annual General Meeting on November 29, 1991

The 1991 Annual General Meeting of I.G. Farben i.L. was initially scheduled to be held on August 30. The 'Europa-Saal' in the exhibition hall<sup>4</sup> had been rented from Messe Frankfurt. There, the I.G. shareholders were to confirm the claims to the old eastern property and the postponement of the liquidation to a date in the uncertain future. It was only late in the day that those responsible at the trade fair company realized the historical context of their decision: in 1941, exactly 50 years ago, the very ballroom intended for the I.G. Farben Annual General Meeting had been one of the three "assembly points" from which Frankfurt Jews had been transported to Auschwitz and other extermination camps, including to forced labour at the I.G. Farben factory in Auschwitz. Due to public pressure from various groups, the rental contract finally had to be terminated. The official reason given by the management of Frankfurter Messe GmbH was the fear of "politically motivated unrest".<sup>500</sup>

Almost three months later, the I.G. then used the building as an alternative location for its annual general meeting

the hall of the 'Frankfurter Hof' hotel. In the run-up to the meeting on November 29, an 'Alliance against I.G. Farben' was formed, which called for protest actions inside and outside the meeting venue. In addition, it was planned to introduce two motions at the meeting in cooperation with critical shareholders: The company should finally fulfill its mandate and finally liquidate the Group before the end of 1992. The proceeds and company assets were then to be transferred to a foundation whose funds were to be used to compensate former forced laborers and preserve the memorials to the victims. How these demands were received by the shareholders' meeting is characterized by the following article from the Frankfurter Rundschau of November 30, 1991 very impressively:

*"The crouching older man at the microphone threatens to lose his voice: 'I'm at the I came to Auschwitz on March 1, 1943 at the age of sixteen. 400 people were selected from my transport. Seven survived. I had to work at I.G. Farben for a total of 730 days. The audience in the elegant hall of the Frankfurter Hof becomes restless. 'We've seen this before', shouts one, 'Quit' another. Now Chairman of the Supervisory Board Ernst Krienke takes the floor: 'You are speaking on a political and historical topic that is not the subject of this Annual General Meeting. Applause. Hans Frankenthal, whose family, like the 30,000 other people died in agony during the construction of the I.G. Buna-Monowitz plant. Then the 65-year-old returns to his chair, accompanied by accusations such as 'nothing but lies'. He received 5,000 marks as compensation for his slave service in the 1950s: That must be enough. Around 800 shareholders of I.G. Farben in Abwicklung, who are holding their Annual General Meeting on Friday under enormous security precautions (admission tickets are checked three times, every visitor is scanned with a detector), are interested in other things. One young and dynamic shareholder wants to know whether it would be possible to take recourse against the Frankfurt trade fair company for canceling the venue in August following protests. Another asked whether the Management Board could at least 'give the Assembly some hope' that 'something will come out of the papers' of the company, which has been in liquidation for 39 years. 'At least a bit of hope for the future!'"<sup>501</sup>*

[500] Reuters News Service, Aug. 23, 1991.

[501] Frankfurter Rundschau 11/30/1991.

However, the I.G. Farben liquidators were not at a loss for "dreams of the future". Liquidator Vollmann repeatedly pointed out that *"we are aware of our responsibility to liquidate I.G. Farben as quickly as possible."*<sup>502</sup> But the company was obliged by law to track down every part of I.G. Farben's assets and include them in the liquidation for the benefit of the shareholders. Since *"in the dispute over the recovery of assets from Eastern Germany, the only chance for a corporation like I.G. Farben i.L. was to be preferred as an investor"*,<sup>503</sup> as one shareholder put it at the Annual General Meeting, a motion was made to change the company name to 'I.G. Beteiligungs- und Grundbesitz-AG in Abwicklung' and to expand the object of the company to include investment and real estate transactions. This, as well as the increase in the company's securities business from DM 139 million to DM 174 million in 1990, prompted even one "normal" small shareholder to criticize that *"more was being accumulated than liquidated"*.<sup>504</sup> However, the majority of shareholders, whose circle of speculators had grown over the years of liquidation, hoped for massive price gains on their shares and allowed the amendment to the articles of association to go through without any problems.

To completely ignore the demands of the I.G. critics appeared to the management

However, in view of the fierce protests against I.G.'s eastward expansion, this was not opportune. At the beginning of the annual general meeting, Supervisory Board Chairman Ernst C. Krienke surprised those present by promising to *"endow a charitable foundation from the proceeds from the recovery of GDR assets"*.<sup>505</sup> But later, when asked about the details of the foundation - how much, when and for whom - Krienke retreated to generalities: *"I said: from the recovery of assets in the East. Whether we will ever see a penny from the assets in the East is legally and politically unclear."* In complete contrast to the precisely defined demands, he also claimed that there was *"no way to determine precisely which assets belong to us"*.<sup>506</sup> The reaction from critics was unanimous. The foundation was a farce because: *"If the money comes from compensation, it is not I.G. Farben that pays, but the taxpayer."*<sup>507</sup>

#### 7.3.4. Distributions to shareholders instead of endowment of a foundation

After the spectacularly successful Annual General Meeting, things soon quietened down again around I.G. Farben i.L. The attempt to rid the company of the burdened name 'I.G. Farben' by amending the articles of association and to enter the investment and real estate business had failed, and so the disputes over the "restitution of the Eastern assets" dragged on. On the other hand, the exchange of I.G. liquidation share certificates for shares in Württemberger Cattunmanufactur Beteiligungs- und Grundbesitz-AG, which had already been planned in 1988, was finally tackled. At the end of 1993, Vereins- und Westbank, which was responsible for handling this transaction, announced that more than 75% of I.G. Farben shareholders had taken up the offer and that the exchange was therefore deemed to have been completed. In addition, the administrators of I.G. Farben i.L. announced a liquidation distribution of 15 marks. As a result, the net asset value of the company shrank from 160 to 30 million marks and the share price fell from just under 20 to around 5 marks. The "western share" of the company could thus be regarded as

[502] quoted from: KÖHLER, OTTO: Auschwitz the other way around. In: *KONKRET* No. 1/92 (1992).

[503] *Frankfurter Allgemeine Zeitung* 11/30/1991.

[504] *Frankfurter Allgemeine Zeitung* 11/30/1991.

[505] *Frankfurter Rundschau* 11/30/1991.

[506] Both quotes from: KÖHLER, OTTO: Auschwitz the other way around. In: *KONKRET* No. 1/92 (1992).

[507] *Badische Zeitung* 30.11.1991.

The bank hastened to assure that *"the claims for restitution of I.G. Farben assets in the former GDR (...) are not taken into account"*.<sup>508</sup>

However, a ruling by the Federal Administrative Court only a short time later finally put an end to much of this speculation. In June 1993, the Halle Administrative Court ruled that the companies and assets of I.G. Farben AG had been expropriated on the basis of occupation law and could not be claimed under the Property Act. An appeal against this ruling was not allowed and the subsequent appeal was rejected in a decision published in Berlin on January 10, <sup>1994</sup><sup>509</sup>, so that I.G.'s claim to a good 155 million square meters in the former GDR (an area the size of a small federal state) became invalid. However, this supreme court decision did not and does not apply to I.G.'s claims to various plots of land and properties in the city of Berlin. A clarification in this regard has not yet taken place, so that the I.G. Farben liquidation certificate continues to be listed on the stock exchange and the final liquidation has come closer, but has still not been completed. Although the majority of the company's assets were distributed to the shareholders via the distributions made at the end of 1993, the distribution made at the Annual General Meeting of

The "charitable foundation" announced on November 29, 1991 has long since ceased to exist. This means that it is already clear today that the former victims of the I.G. Farben Group will unfortunately in all likelihood be the losers in its liquidation.

#### **7.4. The history of the protest against "I.G. Farbenindustrie AG in dissolution"**

After the end of the Second World War, I.G. Farben AG was largely able to avoid being broken up or socialized with the help of high-ranking personalities, some of whom got off lightly at the war crimes trials (including Hermann Josef Abs, Walter Leisler Kiep and Ludwig Erhardt). In addition to the large chemical companies, a liquidation company, I.G. Farbenindustrie AG in Auflösung, was founded. The purpose of this AG was to endeavor to transfer back the properties, compensate the former slave workers, pay off the creditors and then divide the remaining assets among the shareholders.

##### *The delayed liquidation*

Since the mid-1980s, the protest has become increasingly massive and the demand for the immediate dissolution of I.G. Farben i.A. ever louder, after the Board of Management of this AG, the so-called liquidators, had delayed the dissolution of the AG for decades. They had speculated on the restitution of the properties in the former GDR and in areas that were incorporated into Poland and the former Czechoslovakia after the Second World War, as well as on the fact that "the forced labor problem would be solved biologically". The Vereinigung der Verfolgten des Naziregimes / Bund der AntifaschistInnen (VNN/BdA), the Auschwitz Committee and later also the Kritische Aktionärinnen und Aktionäre as well as the Coordination gegen Bayergefahren and other groups drew attention to the continuing injustice with actions and demonstrations, first before and finally at the annual shareholders' meeting.

[508] *Frankfurter Rundschau* 12/30/1993.

[509] *Frankfurter Rundschau* 11.01.1994.

*Recurring protests at the shareholders' meetings*

With the acquisition of share certificates and the transfer of voting rights, those affected were given the right to speak in front of the assembled shareholders, whereby they were always met with a wide range of emotions, from incomprehension to open hatred. Speakers were regularly removed from the meeting by force. They publicly denounced the crimes of I.G. Farben AG during the Nazi dictatorship and demanded the immediate dissolution of the liquidation company in order to pay out the assets to the surviving victims and their relatives. Demonstrations and protests that took place in front of the conference buildings were violently dispersed on more than one occasion. One year, when well-known right-wing radicals appeared and declared the compensation of "forced laborers and Jews" to be superfluous, they were not deprived of the right to speak, but were even given approval.

The first successes of the protest became apparent when it became increasingly difficult for the organizers to find suitable conference venues in Frankfurt am Main, as the providers feared for their reputation. Nevertheless, the liquidators managed to keep the society alive until 2003. It is possible that those responsible and the shareholders were speculating on the release of I.G. Farben's assets frozen in Switzerland and the return of the properties in Poland and the Czech Republic following their admission to the EU, which could have significantly increased the dividends. In 2000, under the impression of the massive protests, a foundation was set up with a small contribution of DM 500,000 to compensate the former slave laborers. A payment to the Foundation Initiative of German Business for the Compensation of Nazi Forced Laborers was refused with reference to the foundation itself.

*Insolvency: almost 60 years after the end of the war*

In 2004, I.G. Farben i.A. finally announced its insolvency. For more than half a century, those responsible for the liquidation company had speculated with the bloody money, conducted poorly performing real estate transactions and thus flushed the money into other pockets long ago. The insolvency administrator will most likely use the remaining assets to pay off debts to various banks. In an open letter, survivors have called for at least the last of the money to be paid out to the former forced laborers. In all likelihood, however, they will go away empty-handed.

## Epilogue

This exhibition and this brochure are intended to be more than just a series of historical dates, facts and background information. Above all, they are intended to encourage reflection and a critical examination of today's society and current (chemical) history on several levels. Because much of what happened '*back then*' and '*was so terrible*' is not just a part of the past, but is still happening today.

The first and most obvious point is at the individual level and concerns the much-cited 'responsibility of scientists'. Here, everyone is called upon to examine self-critically, now and in the future, whether their own actions and research are morally justifiable and not abused by others. In many cases, however, the term "abuse" already anticipates the acquittal of the perpetrator, which should not always be allowed so easily. After all, anyone who researches or produces explosives and poisonous gases, for example, must be aware of the possible killing of people associated with this and cannot just talk about "abuse" in retrospect, evading their responsibility.

However, an overemphasis on this individual question of guilt must not be used to stop questioning social, political or company-internal backgrounds and power structures. This shows that it is generally not justified to blame all those involved equally. On the one hand, there are wage-dependent workers who only have the choice between any work at all and the misery of unemployment and who have no say in the nature and use of the products of their labor. On the other hand, there are people in every company who have the necessary power and background knowledge to be very well informed about who buys their products and what they are used for.<sup>510</sup> And therefore the latter bear the responsibility for the inhumane use of these products (e.g. chemicals as explosives, Zyklon B, defoliant Agent Orange, chemical warfare agents, ...). Such people have made and continue to make the decisions that lead to the realization of certain projects.

and enforce them. And in a capitalist economic system, these decisions are not only made out of the 'bad will' of company management - they can even claim in their defense that they have to act in this way in order to survive economically. Under these conditions, a private company basically has only two interests: increasing **its power** and **its money**. No moral standards are prescribed anywhere.

You have to keep both eyes firmly closed not to see that huge profits can still be made from arms deals today. After all, an entire state budget is used to pay for them. In this way, it is easy to generate millions in revenue for armaments projects.<sup>511</sup> It is no coincidence, for example, that the largest German automobile company Daimler-Benz has b e c o m e the largest German armaments company. And what was originally a small side shoot of armaments research,

[510] cf. for example the signing of the Petrol Pact, Carl Krauch in his role as 'munitions dictator', Haber's poison gas research, ... in the previous chapters.

[511] For comparison, the arms expenditure in 1990: FRG - 78,000 million DM; USSR - DM 472,000 million; USA - DM 483,000 million.

The so-called 'civilian' nuclear research later also enabled the companies involved (e.g. Siemens, AEG, ...) to make large profits.

The overall picture of agreements, entanglements and accumulations of offices, as it is presented in the history of I.G. Farben, would not change significantly if, with a little imagination, those names were exchanged for more current names in German business and politics. In the past, the continuity of people in German politics and business alone ensured a smooth transition, which was only interrupted for a short time in 1945. The names of **ter Meer** (former I.G. Farben board member and convicted war criminal - later Chairman of the Supervisory Board of BAYER), **Flick** (former financially strong Nazi party donor - later richest man in the FRG and party donor in Bonn) and **Filbinger** (former SS naval judge - later Minister President of Baden-Württemberg) are just a few examples.

Business with the state and politics did not only lead I.G. Farben to great wealth '*back then*' - something similar is still possible today.

All of this clearly shows that it can be very dangerous when a society makes huge amounts of money available for armaments or other large-scale projects (e.g. nuclear research, space research, chip research). It seems to be intrinsic to a capitalist economic system - regardless of time and people - that an intensive intertwining of personnel and content inevitably develops between politics, industry and high <sup>finance</sup><sup>512</sup> with the aim of maximizing individual capital.

However, if this history is not to repeat itself in one of its various modifications, then this requires all of us to have open eyes and foresight with regard to our own actions and, above all, the will to actively shape the political and social framework conditions. Any attempt to treat one area of life in isolation from its interactions with other areas (e.g. the much-cited 'science in an ivory tower') is doomed to failure - and all too often we can no longer allow ourselves to fail in this way.

[512] cf. the O.M.G.U.S. reports on Deutsche Bank and Dresdner Bank, in which - analogous to the I.G. Farben report - the involvement of these two major banks in the Nazi regime and the war is documented.



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